
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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**ETERNITY INVESTMENT LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

**MAJOR TRANSACTION –
PROVISION OF FINANCIAL ASSISTANCE RELATING
TO THE VARIATION OF THE LOAN AGREEMENTS
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening a special general meeting of the Company to be convened and held at Meeting Room (Soho 1), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Wednesday, 19 February 2025 at 11:00 a.m. is set out on pages 26 to 27 of this circular. A form of proxy for use at the special general meeting is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk.

Whether or not you are able to attend the special general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish.

No gifts, food or beverages will be provided to attendees at the special general meeting.

24 January 2025



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DEFINITIONS

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

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|--------------------------|---|
| “Board” | the board of Directors |
| “Chargor” or “Guarantor” | Ever Rest Limited, a company incorporated in Hong Kong with limited liability |
| “close associate(s)” | has the same meaning as ascribed to it under the Listing Rules |
| “Company” | Eternity Investment Limited, an exempted company incorporated in Bermuda with limited liability and the issued Shares are listed on the Main Board of the Exchange under stock code: 764 |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Customer C” | Mr. Kam Lap Sing, Kelvin |
| “Director(s)” | the director(s) of the Company |
| “Exchange” | The Stock Exchange of Hong Kong Limited |
| “Extension Letter” | the letter of extension dated 21 January 2025 entered into between Hong Kong Builders and Customer C to extend the long stop date of the Supplemental Agreements to 28 February 2025 (or such other date as the parties may agree in writing) |
| “Facilities” | collectively, the Facilities 1, the Facilities 2 and the Facilities 3, or any of them |
| “Facilities 1” | the Loan 1 granted by Hong Kong Builders to Customer C under the Loan Agreement 1 |
| “Facilities 2” | the Loan 2 granted by Hong Kong Builders to Customer C under the Loan Agreement 2 |
| “Facilities 3” | the Loan 3 granted by Hong Kong Builders to Customer C under the Loan Agreement 3 |
| “Group” | the Company and its subsidiaries |
| “HIBOR” | Hong Kong Interbank offered Rate |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |

DEFINITIONS

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|--------------------------------|---|
| “Hong Kong Builders” | Hong Kong Builders Finance Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company |
| “Independent Third Party(ies)” | third party(ies) independent of the Company and its subsidiaries and not connected with the Company or any of the connected persons of the Company |
| “Latest Practicable Date” | 21 January 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Exchange |
| “Loans” | collectively, the Loan 1, the Loan 2 and the Loan 3, and the term “Loan” shall mean any of them |
| “Loan 1” | the principal amount of up to HK\$56.0 million advanced by Hong Kong Builders to Customer C subject to and upon the terms and conditions of the Loan Agreement 1 or any part thereof and for the time being outstanding |
| “Loan 2” | the principal amount of up to HK\$65.0 million advanced by Hong Kong Builders to Customer C subject to and upon the terms and conditions of the Loan Agreement 2 or any part thereof and for the time being outstanding |
| “Loan 3” | the principal amount of up to HK\$90.0 million advanced by Hong Kong Builders to Customer C subject to and upon the terms and conditions of the Loan Agreement 3 or any part thereof and for the time being outstanding |
| “Loan Agreements” | collectively, the Loan Agreement 1, the Loan Agreement 2 and the Loan Agreement 3, and the term “Loan Agreement” shall mean any of them |
| “Loan Agreement 1” | the loan agreement dated 21 February 2017 (as amended and supplemented by the supplemental agreements dated 11 February 2019, 10 November 2020, 14 December 2020, 9 November 2022 and 8 November 2024) and entered into between Hong Kong Builders as lender and Customer C as borrower relating to the grant of the Facilities 1 |

DEFINITIONS

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| “Loan Agreement 2” | the loan agreement dated 13 April 2017 (as amended and supplemented by the supplemental agreements dated 11 February 2019, 10 November 2020, 14 December 2020, 9 November 2022 and 8 November 2024) and entered into between Hong Kong Builders as lender and Customer C as borrower relating to the grant of the Facilities 2 |
| “Loan Agreement 3” | the loan agreement dated 7 May 2021 (as amended and supplemented by the supplemental agreements dated 9 November 2022, 9 November 2023 and 8 November 2024) and entered into between Hong Kong Builders as lender and Customer C as borrower relating to the grant of the Loan Facilities 3 |
| “Money Lenders Ordinance” | the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time |
| “Pledged Ancestral Tablets” | the 4,000 ancestral tablets located at Wish Memorial Garden (本願庭) in Tai Po, Hong Kong |
| “PRC” | the People’s Republic of China |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “SGM” | the special general meeting of the Company to be convened and held at Meeting Room (Soho 1), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Wednesday, 19 February 2025 at 11:00 a.m. to consider and, if thought fit, approve the Supplemental Agreements and the transactions contemplated thereunder |
| “Share(s)” | the ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | the holder(s) of the issued Share(s) |
| “substantial shareholder(s)” | has the same meaning as ascribed to it under the Listing Rules |

DEFINITIONS

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| “Supplemental Agreements” | the conditional supplemental agreements dated 8 November 2024 (as amended and supplemented by the Extension Letter) entered into between Hong Kong Builders and Customer C in relation to (i) the extension of the final repayment date of the Facilities from 9 November 2024 to 9 November 2026; and (ii) inclusion of the pledge over the right of use for the Pledged Ancestral Tablets by the Chargor in favor of Hong Kong Builders as a security (being a first charge) under the Loan Agreements |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “US\$” | the United States dollars, the lawful currency of the United States |
| “%” | per cent. |

LETTER FROM THE BOARD



ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

Executive Directors:

Mr. Lei Hong Wai (*Chairman and Chief Executive Officer*)
Mr. Cheung Kwok Wai Elton
Mr. 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
Ms. Leung Man Yee Fanny
Mr. Law Kwok Ho Kenward

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

Unit 1211, Shun Tak Centre
West Tower
168-200 Connaught Road Central
Hong Kong

24 January 2025

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION –
PROVISION OF FINANCIAL ASSISTANCE RELATING
TO THE VARIATION OF THE LOAN AGREEMENTS
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

References are made to the announcements of the Company dated 8 November 2024 and 21 January 2025 in relation to the Supplemental Agreements.

The purpose of this circular is to provide you with, among other things, (i) details of the Supplemental Agreements and the transactions contemplated thereunder; (ii) other information required under the Listing Rules; and (iii) notice of the SGM.

LETTER FROM THE BOARD

THE SUPPLEMENTAL AGREEMENTS

On 8 November 2024, Hong Kong Builders and Customer C entered into the Supplemental Agreements to (i) extend the final repayment date of the Facilities which have an aggregate principal amount of HK\$211.0 million from 9 November 2024 to 9 November 2026; and (ii) include the pledge over the right of use for the Pledged Ancestral Tablets by the Chargor in favor of Hong Kong Builders as a security (being a first charge) under the Loan Agreements. Save and except for above, all terms and conditions of each of the Loan Agreements shall remain unchanged and continue in full force and effect.

On 21 January 2025, Hong Kong Builders and Customer C entered into the Extension Letter pursuant to which the parties agreed to extend the long stop date of the Supplemental Agreements from 31 January 2025 (or such other date as the parties may agree in writing) to 28 February 2025 (or such other date as the parties may agree in writing). Save as disclosed above, all other terms and conditions of the Supplemental Agreements shall remain unchanged and in full force and effect in all respects.

The Supplemental Agreements shall be conditional upon and subject to:

- (a) the publication of an announcement of the Company, the circular to the Shareholders, and approval from the Shareholders, in relation to the Supplemental Agreements and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules;
- (b) Hong Kong Builders having received the deed of pledge on the Pledged Ancestral Tablets duly and properly executed by the Chargor; and
- (c) payment of all outstanding interest.

The parties shall use their respective best endeavours to procure the fulfilment of the above conditions. None of the above conditions can be waived. In the event that any of such conditions is not fulfilled by 4:00 p.m. on 28 February 2025 (or such other date as the parties may agree in writing), the Supplemental Agreements will automatically be terminated.

As at the Latest Practicable Date, the outstanding interest to be paid by Customer C as referred to in condition (c) above was approximately HK\$5.4 million.

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

LETTER FROM THE BOARD

THE LOAN AGREEMENTS

Set out below are the principal terms of the Loan Agreements (as amended and supplemented by the Supplemental Agreements).

Loan Agreement 1

Date: 21 February 2017

Principal amount: Up to HK\$56.0 million

Interest rate: the Hong Kong Dollar Best Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time plus 3.0% per annum payable semi-annually in arrears

Loan Agreement 2

Date: 13 April 2017

Principal amount: Up to HK\$65.0 million

Interest rate: the Hong Kong Dollar Best Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time plus 3.0% per annum payable semi-annually in arrears

Loan Agreement 3

Date: 7 May 2021

Principal amount: Up to HK\$90.0 million

Interest rate: the Hong Kong Dollar Best Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time plus 3.0% per annum payable annually in arrears

Other common terms of the Loan Agreements

Lender: Hong Kong Builders, a licensed money lender in Hong Kong

Borrower: Customer C

Default interest rate: the Hong Kong Dollar Best Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time plus 3.0% on overdue sums from the due date until payment in full

Security and/or guarantee: The Loans are guaranteed or secured by:

LETTER FROM THE BOARD

- (i) the guarantee by the Guarantor in favour of Hong Kong Builders as a security under the Loan Agreements; and
- (ii) the pledge over the right of use for the Pledged Ancestral Tablets by the Chargor in favor of Hong Kong Builders as a security (being a first charge) under the Loan Agreements.

Availability period: The period commencing from the date of the respective Loan Agreements and ending on 9 November 2026.

If (i) Customer C has not made the first drawing for 90 days (or such other number of days as Customer C and Hong Kong Builders may agree in writing) after the commencement of the availability period; or (ii) Customer C has not made a drawing for 15 days (or such other number of days as Customer C and Hong Kong Builders may agree in writing) after Customer C has repaid all the outstanding principal amounts, the interest accrued thereon and all other outstanding amounts to Hong Kong Builders, the respective Facilities shall automatically be cancelled and no longer be available for drawing.

Final repayment date: 9 November 2026

Repayment: Customer C shall repay the outstanding principal amount of the respective Loans in full together with any accrued and unpaid interest in one lump sum on the final repayment date.

Hong Kong Builders has the overriding right at anytime to require immediate repayment of the outstanding principal amount of the respective Loans, all interest accrued thereon and all other monies payables under the respective Loan Agreements.

Prepayment: Customer C may prepay to Hong Kong Builders the whole or any part of the outstanding principal amount of the respective Loans before the final repayment date provided that (i) Customer C shall have given to Hong Kong Builders prior written notice specifying the amount to be prepaid and the date on which prepayment is to be made, and (ii) Customer C shall, on the date of prepayment, pay to Hong Kong Builders all accrued interest on the amount prepaid.

Re-borrowing and drawing: Any amounts prepaid by Customer C before the final repayment date shall be available for re-borrowing and drawing provided that the aggregate outstanding principal amount of the respective Loans shall not be exceeded.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the outstanding principal amount of each of the Facilities 1, the Facilities 2, and the Facilities 3 was HK\$55.1 million, HK\$65.0 million, and HK\$90.0 million respectively.

Funding of the Facilities

The Facilities have been and will be financed by the internal resources of the Group.

INFORMATION ON CUSTOMER C, THE GUARANTOR (OR THE CHARGOR) AND THE SECURITY

Customer C is an individual who is a merchant, and has been a customer of the Group's money lending business since March 2013.

The Guarantor (or the Chargor), namely Ever Rest Limited, is a company incorporated in Hong Kong with limited liability carrying on columbarium business in Hong Kong. The ultimate beneficial owner of the Guarantor is Customer C.

Pursuant to the Supplemental Agreements, the pledge over the right of use for the Pledged Ancestral Tablets located at Wish Memorial Garden (本願庭) in Tai Po, Hong Kong shall be provided by the Chargor in favor of Hong Kong Builders as a security (being a first charge) under the Loan Agreements. Wish Memorial Garden is wholly-owned by the Guarantor.

Based on the latest available information, Wish Memorial Garden consists of three separate blocks which are currently under renovation, and upon completion, columbarium walls, ancestral tablet walls and spaces for worship will be available within these premises to visitors for reflection and remembrance.

To the best knowledge of the Directors, Wish Memorial Garden is in the process of applying for the relevant license to engage in private columbaria operation in Hong Kong, and the commencement of the sale and operation of the private columbaria services is still pending government approval. On the other hand, the sale and operation of ancestral tablets does not require such approval. Currently, a sales and marketing team has been engaged by Wish Memorial Garden to promote these ancestral tablets in the market. Based on prevailing market prices for the right of use for ancestral tablets, the selling price ranges from approximately HK\$30,000 to approximately HK\$90,000 in similar location. The right of use for the Pledged Ancestral Tablets shall be sold at comparable price range as those in similar location. The prices of the right of use for the Pledge Ancestral Tablets are set depending on their positions on the walls, with those at more convenient positions and closer to the centre of the walls selling at higher prices, and those near the edges of the walls selling at lower prices.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, Customer C and the Guarantor are Independent Third Parties.

INFORMATION ON THE GROUP AND HONG KONG BUILDERS

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

LETTER FROM THE BOARD

Hong Kong Builders is a licensed money lender in Hong Kong under the Money Lenders Ordinance. Hong Kong Builders conducts money lending business in Hong Kong through the provision of secured and unsecured loans to customers.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SUPPLEMENTAL AGREEMENTS

As money lending is one of the principal activities of the Group, the provision of loans and the extension of final repayment dates of loans are in the ordinary and usual course of business of the Group.

At the request of Customer C, Hong Kong Builders and Customer C negotiated for the Supplemental Agreements and the transactions contemplated thereunder on an arm's length basis.

Customer C has maintained long term relationship with the Group that he has been a customer of the Group's money lending business since March 2013. In considering whether to extend the Loans, the Directors reviewed the draft audit report of the Guarantor, which is wholly-owned by Customer C, for the year ended 31 March 2024 and noted that the net assets of the Guarantor (excluding amount due to director) amounted to approximately HK\$68.9 million as at 31 March 2024. Moreover, from the past lending experience of the Group, willingness to cooperate and credibility in honouring promises have been shown by Customer C. According to the historical repayment and interest payment of Customer C, no event of default has been recorded. Based on the above, the Directors are of the opinion that the risk of Customer C defaulting on the repayment of the Loans and the Company being unable to recover the Loans is proportionately remote.

Apart from the guarantee from the Guarantor, the right of use for the Pledged Ancestral Tablets shall be pledged as a security (being a first charge) under the Loan Agreements. As discussed in the paragraphs headed "Information on Customer C, the Guarantor (or the Chargor) and the security" above, the right of use for the Pledged Ancestral Tablets shall be sold at comparable price range as those in similar location, which is between approximately HK\$30,000 and approximately HK\$90,000. For illustration purposes only, assuming the average selling price of the right of use for the Pledged Ancestral Tablets is HK\$60,000, the estimated market value of the Pledged Ancestral Tablets is HK\$240 million, which represents a loan-to-value ratio of approximately 113.7% and is more than enough to cover the aggregate principal amount of the Loans. Having considered the above and that the credit policy of Hong Kong Builders has no restrictions on accepting the right of use for the Pledged Ancestral Tablets as collateral, the Directors consider the inclusion of the right of use for the Pledged Ancestral Tablets as collateral on top of the guarantee from the Guarantor aligns with the credit policy of Hong Kong Builders and further reduces the risk exposure of the Group under the event of default of Customer C.

In considering the interest rates of the Loans, the Directors have made reference to the interest rates of fixed time deposits in Hong Kong dollars offered by major local commercial banks, which offer interest of up to 3.8% per annum. The interest rates of the Loans of 8.25%, calculated based on the Hong Kong Dollar Best Lending Rate quoted by The Hongkong and Shanghai Banking Corporation of 5.25% as at the Latest Practicable Date plus 3%, is more than the prevailing time deposit rates and the existing interest rates of the Group's deposits. As such, the Directors consider the interest rates of the Loans are in the interests of the Group.

LETTER FROM THE BOARD

As stated in the Loan Agreements, Customer C shall repay the outstanding principal amount of the Loans in full together with any accrued and unpaid interest in one lump sum on the final repayment date i.e. 9 November 2026. Despite the above, Hong Kong Builders has the overriding right at anytime to require immediate repayment of the outstanding principal amount of the Loans, all interest accrued thereon and all other monies payables under the Loan Agreements. The Directors are of the view that such demand clauses protect the interests of the Group by rendering it opportunities to call for all or part of the outstanding Loans if necessary.

Having considered the above, the Directors consider that the terms of the Supplemental Agreements (including the interest rate and the repayment terms) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

POSSIBLE FINANCIAL EFFECTS OF THE SUPPLEMENTAL AGREEMENTS

Earnings

As a result of entering into the Supplemental Agreements, interest income will continue to generate to the Group. Based on the aggregate principal amount of the Facilities of HK\$211.0 million and the Hong Kong Dollar Best Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited of 5.25% as at the Latest Practicable Date, a maximum interest income of approximately HK\$17.4 million can be generated to the Group annually until the repayment of the Loans.

Assets and liabilities

The Facilities have been and will be financed by the internal resources of the Group. Taking into account the aggregate principal amount of the Facilities of HK\$211.0 million and the aggregate outstanding principal amount of the Facilities of HK\$210.1 million as at the Latest Practicable Date, if the Loans are fully drawn by Customer C, it is expected that the loan receivables of the Group will be increased by HK\$0.9 million and the cash and cash equivalents will be decreased by the same amount.

LISTING RULES IMPLICATIONS

As one of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the transactions contemplated under the Supplemental Agreements is more than 25%, the transactions contemplated under the Supplemental Agreements constitute a major transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement, circular and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

THE SGM

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Supplemental Agreements and the transactions contemplated thereunder. The aforesaid approval shall be obtained by way of a poll.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Supplemental Agreements and the transactions contemplated thereunder. Therefore, no Shareholder is required to abstain from voting for the resolution to approve the Supplemental Agreements and the transactions contemplated thereunder at the SGM.

The notice of SGM is set out on pages 26 to 27 of this circular.

A proxy form for use by the Shareholders at the SGM is enclosed herewith. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof. The completion and return of the form of proxy will not preclude you from attending and voting at the SGM in person.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Friday, 14 February 2025 to Wednesday, 19 February 2025, both days inclusive, during which period no transfer of Shares can be registered. In order to ascertain shareholders' rights for the purpose of attending and voting at the SGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 13 February 2025.

RECOMMENDATION

The Directors are of the opinion that the terms and conditions of the Supplemental Agreements and the transactions contemplated are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to approve the Supplemental Agreements and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of
Eternity Investment Limited
Lei Hong Wai
Chairman

1. FINANCIAL INFORMATION INCORPORATED BY REFERENCE

Financial information and management discussion and analysis of the Group for each of the three years ended 31 December 2021, 2022, 2023 and the six months ended 30 June 2024 are disclosed in the following documents which have been published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.ernityinv.com.hk>):

| Period | Website | Financial information (Pages) | Management discussion and analysis (Pages) |
|--|---|----------------------------------|---|
| For the year ended 31 December 2021 | https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042701820.pdf | 144-379 | 7-40 |
| For the year ended 31 December 2022 | https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042601857.pdf | 145-395 | 7-37 |
| For the year ended 31 December 2023 | https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042903004.pdf | 154-399 | 8-41 |
| For the six months ended 30 June 2024 | https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0925/2024092500632.pdf | 3-49 | 50-64 |

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 November 2024, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this circular, the indebtedness of the Group was as follows:

Borrowings

Total borrowings of the Group amounted to HK\$657,073,000, representing:

- (a) the outstanding amount of the guaranteed secured notes due 2025 issued by the Company on 29 December 2022 of HK\$180,807,000, which is interest-bearing at 10% per annum, secured by (i) a share charge over 100% issued shares in Eternity Investment (China) Limited, a wholly-owned subsidiary of the Company and the principal assets of which are (1) the rights to construct and operate the club facilities of the Club and (2) the rights to develop and operate a piece of 580 Chinese acre land adjacent to the Group's golf club and resort (the "Club") (the "Subject Land") and the rights to manage the properties erected on the Subject Land, and (ii) the personal guarantees given by Mr. Lei Hong Wai, the Chairman of the Board and an executive Director, and Mr. Cheung Kwok Wai Elton, an executive Director, and (iii) repayable by 18 partial redemptions during the period from 23 September 2023 to 23 March 2025 and a final redemption on 23 September 2025;

- (b) the banking facilities granted by a bank in the aggregate principal amount of HK\$138,338,000, comprising (i) an installment loan of HK\$92,366,000, which is interest-bearing at 1% per annum over one-month HIBOR (quoted by the bank from time to time from 28 March 2024, secured by (1) a first legal charge over the Group's properties located at Unit Nos. 1201, 1202, 1203, 1209, 1210, 1211 & 1212 and the corridor on the 12th Floor, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong (the "Shun Tak Property") and (2) a charge/mortgage over the cash deposit, structured investment products, stocks, the key management personnel life insurance policy, and other securities held by a wholly-owned subsidiary of the Company, guaranteed by the Company and two wholly-owned subsidiaries of the Company, and repayable by 160 equal monthly installments ending on 18 March 2038, (ii) a term loan in the principal amount of HK\$36,467,000, which is interest-bearing at 1% per annum over one-month HIBOR, secured by (1) the first legal charge over the Shun Tak Property and (2) a charge/mortgage over the cash deposit, structured investment products, stocks, the key management personnel life insurance, and other securities held by the wholly-owned subsidiary of the Company, guaranteed by the Company and two wholly-owned subsidiaries of the Company, and repayable by 208 equal monthly installments ending on 10 March 2042, and (iii) a term loan in the principal amount of US\$1,221,000 (equivalent to HK\$9,505,000), which is interest-bearing at 1% per annum over one month bank's cost of funds on the outstanding amount, secured by (1) the first legal charge over Shun Tak Property and (2) the charge/mortgage over the cash deposit, structured investment products, stocks, the key management personnel life insurance policy, and other securities held by a wholly-owned subsidiary of the Company, guaranteed by the Company, and two wholly-owned subsidiaries of the Company, and repayable by 213 equal monthly installments ending on 25 August 2042;
- (c) a loan of HK\$201,644,000 granted by a finance company, which is interest-bearing at 8% per annum for the period from the date of the first drawdown to 31 March 2024 and 10% per annum from 1 April 2024, secured by (i) the post-dated cheques drawn in favour of the finance company for payment of the principal and the interests stipulated under the loan agreement, and (ii) a personal guarantee given by Mr. Lei Hong Wai, and maturing on 1 April 2025;
- (d) two unguaranteed loans of HK\$7,415,000 and HK\$84,000, respectively, granted by two finance companies, which are unsecured, interest-bearing at the prime rate plus 3% per annum, and maturing on 21 March 2025;
- (e) the securities margin financing facilities of HK\$33,357,000 granted by a securities brokerage firm, which is interest-bearing at prime rate plus 3% per annum and secured by the Group's Hong Kong-listed equity securities held in the margin securities trading account and a personal guarantee given by Mr. Lei Hong Wai;
- (f) the securities margin financing facility of HK\$15,921,000 granted by a securities brokerage firm, which is interest-bearing at a fixed rate of 6% per annum and secured by the Group's Hong Kong-listed equity securities held in the margin securities trading account and a personal guarantee given by Mr. Lei Hong Wai;

- (g) the unguaranteed cash advance of HK\$14,536,000 made by Mr. Lei Hong Wai, which is interest-bearing at 21.60% per annum quoted by a finance company, unsecured, and repayable on demand;
- (h) the unguaranteed cash advance of HK\$1,600,000 made by Mr. Cheung Kwok Fan, an executive Director, which is non-interest bearing, unsecured, and repayable on demand;
- (i) the unguaranteed cash advance of HK\$7,730,000 made by Mr. Cheung Kwok Wai Elton, which is interest-bearing at the one-month HIBOR quoted by Bank of China (Hong Kong) Limited plus 1.3% per annum or 2.25% per annum below the prime rate for Hong Kong dollars quoted by Bank of China (Hong Kong) Limited, whichever is lower, unsecured, and repayable on demand;
- (j) the unguaranteed cash advance of HK\$52,587,000 made by Ms. Chan Mei Sau Teresina, the spouse of Mr. Cheung Kwok Wai Elton, which is interest-bearing at the one-month HIBOR quoted by Bank of East Asia Limited plus 1.3% per annum or 2.50% per annum below the prime rate for Hong Kong dollars quoted by Bank of East Asia Limited, whichever is lower, unsecured, and repayable on demand; and
- (k) the unguaranteed cash advance of HK\$3,054,000 made by an Independent Third Party which is unsecured, interest-bearing at 4% per annum and maturing on 21 October 2025.

Lease liabilities

The total lease liabilities of the Group amounted to HK\$270,663,000 in respect of offices, staff dormitories, the rights to construct and operate the club facilities of the Club, the rights to develop and operate the Subject Land and the rights to manage the properties erected on the Subject Land leased by the Group as lessee. The lease liabilities are unsecured and non-guaranteed.

Commitments

The Group had a total commitment of HK\$230,936,000 relating to the development costs for the Subject Land, which were contracted but not provided for.

Save as aforesaid and apart from intra-group liabilities, at the close of business on 30 November 2024, the Group had no other debt securities issued and outstanding, or any other borrowings or indebtedness including bank loans and overdrafts, liabilities under acceptances (other than normal trade payables) or acceptance credits, hire purchases commitments, mortgages or charges, contingent liabilities or guarantees.

3. WORKING CAPITAL

The Directors are of the opinion that, taking into account the cash flows generated from the operating activities, the financial resources presently available to the Group and the existing banking facilities available, the Group has sufficient working capital for its present requirements and for at least twelve months from the date of this circular.

The Company has obtained the confirmation as required under Rule 14.66(12) of the Listing Rules from the auditors of the Company that (a) the above statement had been made by the Directors after due and careful enquiry; and (b) the persons or institutions providing finance had confirmed in writing that such facilities exist.

4. MATERIAL ADVERSE CHANGE

As disclosed in the profit warning announcement of the Company dated 23 August 2024 and the 2024 interim report of the Company published on 25 September 2024, the Group recorded a loss attributable to owners of the Company of HK\$127,983,000 for the six months ended 30 June 2024, as compared with that of HK\$51,025,000 for the six months ended 30 June 2023. This increase in the loss attributable to owners of the Company for the six months ended 30 June 2024 was due to (i) an increase in loss arising on change in fair value of financial assets at fair value through profit or loss, (ii) a recognition of the impairment loss on goodwill, (iii) an absence of the gain on disposals of residential serviced apartments, (iv) an increase in loss arising on the change in fair value of investment properties and (v) an increase in finance costs which are partially offset by the recognition of (a) an absence of the impairment loss on interests in associates and (b) an increase in gross profit.

Save as disclosed above, 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 2023, being the date to which the latest published audited accounts of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS

The recovery of global economy in first half of 2024 is under the expectation in 2024. Although the Federal Reserve started to cut the interest rate policy since September 2024, the interest rate remains at high level. Moreover, the Russia-Ukraine conflict continues, the Israel-Palestine conflict continues, the Red Sea shipping crisis, tensions between the United States and the PRC remain significant, and patterns of trade and cross-border investment are shifting. With this backdrop, the Directors expect uncertainty in the global macroeconomic environment.

The Directors expect the global macroeconomic environment to remain uncertain. As such, the Directors will cautiously monitor the equity market, adjust the Group's equity securities portfolio from time to time, and realise the Group's equity securities into cash as and when appropriate in 2024.

Given the global macroeconomic environment is expected to be uncertain, the Directors intend to maintain or reduce the size of the Group's loan portfolio. As a result, the interest income on loans generated from the Group's money lending business in 2024 is expected to be less than 2023. Nevertheless, the Directors will closely monitor the performance of the Group's loan portfolio, especially in each customer's repayment and financial condition, and make every effort to recover the overdue loan receivables.

Due to the sluggish market condition, the Group has been developing new product lines, such as other stone type and budgeted jewelry products, to meet the shrinking budget of the consumer public. In addition, the Group has planned to broaden its sales territories by cultivating new overseas markets, such as Japan and Asian Pacific countries. Although measures have been taken to improve the performance of the Group's sale of jewelry products business in gross profit margin, the Directors expect the performance of the Group's sale of jewelry products business in 2024 will be more or less the same as in 2023 due to soliciting more sales orders through the adjustment of gross profit margin and the uncertainty casting on the global macroeconomic environment.

Although there is a sign showing that the PRC's economy is slowing down in the first half of 2024, the Chinese Government has implemented several measures to boost the PRC's economy, such as issuing an additional 1 trillion yuan in special treasury bond, adopting the proactive fiscal policy and emphasis on economic stability in property sector, advanced manufacturing industries and domestic demand. Therefore, the Directors will put more effort and resources into marketing and leasing activities to achieve a high level of occupancy rate in order to build up the continuous income stream derived from rental income of the properties erected on the 580 Chinese acre land adjacent to the Club in Beijing, the PRC. In addition, the Directors will put more effort and resources into completing the remaining four blocks of residential serviced apartments and two blocks of office buildings as planned. As the club lease agreement relating to the assets of the Club was terminated on 5 October 2023, the Directors expect that the rental income of the Group's property investment business will decrease significantly in 2024 compared to 2023.

In October 2023, the Group expanded into the golf club operation business following the termination of the club lease agreement relating to the assets of the Club by the lessee. The Directors expect the performance of the Group's golf club operation business will be improved in 2024 as compared to 2023 due to the full-year effect of the Group's golf club operation business in 2024.

Due to the global macroeconomic environment remaining uncertain, the Directors remain cautious and watchful over the key risks and their impact. The Directors commit to leading the Group to weather the challenges, monitor the business environment cautiously, and strengthen the Group's business foundation by focusing on its existing businesses.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTEREST

(a) Directors' and chief executive's interests and short positions, underlying shares and debentures

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

Long positions

(i) *The Shares*

| Name of Director | Notes | Number of Shares held and capacity | | | Approximate percentage of the issued share capital of the Company |
|---------------------------|---------|------------------------------------|---------------------------------|-------------|---|
| | | Beneficial owner | Held by controlled corporations | Total | |
| Mr. Lei Hong Wai | 1 and 2 | 408,740,000 | 583,832,803 | 992,572,803 | 25.99% |
| Mr. Cheung Kwok Wai Elton | 1 and 2 | - | 583,832,803 | 583,832,803 | 15.29% |
| Ms. Leung Man Yee Fanny | | 700,000 | - | 700,000 | 0.02% |

Notes:

1. Twin Success International Limited (“**Twin Success**”) beneficially owned 583,832,803 Shares. Twin Success was owned as to 50% by Silver Pacific International Limited and as to 50% by Silver Pacific Development Limited. Silver Pacific International Limited was wholly-owned by Mr. Lei Hong Wai. Silver Pacific Development Limited was owned as to 50% by Mr. Cheung Kwok Wai Elton and as to 50% by Mr. Guan Jian.
 2. On 5 June 2018, Twin Success pledged its 583,832,803 Shares in favour of Kingston Finance Limited as security for a loan facility.
- (ii) *Ordinary shares of HK\$0.01 each of China Healthwise Holdings Limited (“**China Healthwise**”), a 21.94% owned associate of the Company*

| Name of Director | Capacity | Number of shares held | Approximate percentage of the issued share capital of China Healthwise |
|------------------|------------------|-----------------------|--|
| Mr. Lei Hong Wai | Beneficial owner | 18,663,636 | 2.42% |

(b) Substantial Shareholders’ interests and short positions, underlying shares and debentures

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

| Name of Shareholder | Notes | Number of Shares held and capacity | | | Total | Approximate percentage of the issued share capital of the Company |
|--------------------------------------|------------|------------------------------------|---|---------------------------------|-------------|---|
| | | Beneficial owner | Person having a security interest in the Shares | Held by controlled corporations | | |
| Twin Success | 1 and 4 | 583,832,803 | - | - | 583,832,803 | 15.29% |
| Silver Pacific International Limited | 1, 2 and 4 | - | - | 583,832,803 | 583,832,803 | 15.29% |
| Silver Pacific Development Limited | 1, 3 and 4 | - | - | 583,832,803 | 583,832,803 | 15.29% |
| Mr. Lei Hong Wai | 1, 2 and 4 | 408,740,000 | - | 583,832,803 | 992,572,803 | 25.99% |
| Mr. Cheung Kwok Wai Elton | 1, 3 and 4 | - | - | 583,832,803 | 583,832,803 | 15.29% |
| Mr. Guan Jian | 1, 3 and 4 | - | - | 583,832,803 | 583,832,803 | 15.29% |
| Kingston Finance Limited | 4 and 5 | - | 583,832,803 | - | 583,832,803 | 15.28% |
| Ample Cheer Limited | 4 and 5 | - | - | 583,832,803 | 583,832,803 | 15.28% |
| Ms. Chu Yuet Wah | 4, 5 and 6 | - | - | 646,374,285 | 646,374,285 | 16.92% |

Notes:

1. Twin Success was owned as to 50% by Silver Pacific International Limited and as to 50% by Silver Pacific Development Limited.
2. Silver Pacific International Limited was wholly-owned by Mr. Lei Hong Wai.
3. Silver Pacific Development Limited was owned as to 50% by Mr. Cheung Kwok Wai Elton and as to 50% by Mr. Guan Jian.
4. On 5 June 2018, Twin Success pledged its 583,832,803 Shares in favour of Kingston Finance Limited as security for a loan facility.
5. Kingston Finance Limited was wholly-owned by Ample Cheer Limited.
6. Out of the 646,374,285 Shares,
 - (i) 583,832,803 Shares were held by Kingston Finance Limited. Kingston Finance Limited is wholly-owned by Ample Cheer Limited. Ample Cheer Limited is wholly-owned by Ms. Chu Yuet Wah;

- (ii) 12 Shares are held by Kingston Securities Limited. Kingston Securities Limited was wholly-owned by Galaxy Sky Investments Limited. Galaxy Sky Investments Limited was wholly-owned by Kingston Capital Asia Limited. Kingston Capital Asia Limited was wholly-owned by Kingston Financial Group Limited. Kingston Financial Group Limited was wholly-owned by Active Dynamic Limited. Active Dynamic Limited was wholly-owned by Ms. Chu Yuet Wah; and
- (iii) 62,541,470 Shares are held by Turbo Kingdom International Limited, which was wholly-owned by Ms. Chu Yuet Wah.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

4. DIRECTORS' INTERESTS IN ASSETS OR CONTRACTS AND ARRANGEMENT

(a) Save as disclosed below, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group since 31 December 2023, being the date to which the latest published audited consolidated accounts of the Group were made up.

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

As at 30 November 2024, the provision of the personal guarantee by Mr. Lei Hong Wai remained in full force and effect.

- (ii) On 9 March 2020, Mr. Lei Hong Wai provided a personal guarantee to secure the Group's repayment obligations under a securities margin financing facility granted by a securities brokerage firm with an outstanding balance of HK\$24,373,000 at 30 November 2024. No consideration was paid by the Group to Mr. Lei Hong Wai for providing the personal guarantee. No security over the assets of the Group was provided for the personal guarantee given by Mr. Lei Hong Wai.

As at 30 November 2024, the provision of the personal guarantee by Mr. Lei Hong Wai remained in full force and effect.

- (iii) On 22 October 2020, Mr. Lei Hong Wai provided a personal guarantee to secure the Group's repayment obligations under a securities margin financing facility granted by a securities brokerage firm with an outstanding balance of HK\$15,921,000 at 30

November 2024. No consideration was paid by the Company to Mr. Lei Hong Wai for providing the personal guarantee. No security over the assets of the Group was provided for the personal guarantee given by Mr. Lei Hong Wai.

As at 30 November 2024, the provision of the personal guarantee by Mr. Lei Hong Wai remained in full force and effect.

- (iv) On 29 December 2022, each of Mr. Lei Hong Wai and Mr. Cheung Kwok Wai Elton provided a personal guarantee to guarantee the punctual performance by the Company's obligations under the 17% guaranteed secured notes due 2023 of HK\$197,000,000 issued by the Company on 29 December 2022 pursuant to the subscription and note instrument agreement dated 29 December 2022. Upon the maturity of the notes, the noteholders have agreed to (i) extend the maturity date from 24 September 2023 to 23 September 2025 and (ii) modify the terms relating to the interest rate, interest payment dates, and partial redemption of the notes due 2023. Save and except for the above modifications, all terms and conditions remain unchanged and continue in full force and effect. No consideration was paid by the Company to Mr. Lei Hong Wai and/or Mr. Cheung Kwok Wai Elton for providing the personal guarantees. No security over the assets of the Group was provided for the personal guarantees given by Mr. Lei Hong Wai and/or Mr. Cheung Kwok Wai Elton.

As at 30 November 2024, the provision of the personal guarantees by Mr. Lei Hong Wai and Mr. Cheung Kwok Wai Elton remained in full force and effect.

- (v) On 18 August 2023, Mr. Lei Hong Wai provided a personal guarantee to secure the Group's repayment obligations under the securities margin financing facility granted by the securities brokerage firm mentioned in (ii) above, with an outstanding balance of HK\$8,984,000 at 30 November 2024. No consideration was paid by the Group to Mr. Lei Hong Wai for providing the personal guarantee. No security over the assets of the Group was provided for the personal guarantee given by Mr. Lei Hong Wai.

As at 30 November 2024, the provision of the personal guarantee by Mr. Lei Hong Wai remained in full force and effect.

- (vi) At 30 June 2024, the outstanding balance of the cash advance from Mr. Cheung Kwok Fan amounted to HK\$2,800,000. During the period from 30 June 2024 to 30 November 2024, Mr. Cheung Kwok Fan made additional cash advances of HK\$800,000 to the Group for financing its short-term funding needs. The cash advances are non-interest bearing, unsecured, and repayable on demand. During the period from 30 June 2024 to 30 November 2024, the Group repaid HK\$2,000,000 to Mr. Cheung Kwok Fan.

As at 30 November 2024, the outstanding balance of the cash advances was HK\$1,600,000.

- (vii) At 30 June 2024, the outstanding balance of the cash advance from Mr. Cheung Kwok Wai Elton amounted to HK\$19,240,000. During the period from 30 June 2024 to 30 November 2024, Mr. Cheung Kwok Wai Elton did not make additional cash advances to the Group. The cash advances are interest-bearing at a one-month HIBOR quoted by Bank of China (Hong Kong) Limited plus 1.30% per annum or 2.25% per annum below the prime rate for Hong Kong Dollars quoted by Bank of China (Hong Kong) Limited, whichever is lower, unsecured, and repayable on demand. The interest on the cash advances is based on the interest paid/payable by Mr. Cheung Kwok Wai Elton to Bank of China (Hong Kong) Limited to obtain the cash advances. During the period from 30 June 2024 to 30 November 2024, the Group repaid HK\$11,700,000 to Mr. Cheung Kwok Wai Elton, and the interest accrued by the Group on cash advances from Mr. Cheung Kwok Wai Elton amounted to HK\$202,000.

As at 30 November 2024, the outstanding balance of the cash advances from Mr. Cheung Kwok Wai Elton was HK\$7,730,000.

- (viii) At 30 June 2024, the outstanding balance of the cash advance from Mr. Lei Hong Wai amounted to HK\$1,421,000. During the period from 30 June 2024 to 30 November 2024, Mr. Lei Hong Wai did not make additional cash advance to the Group. The cash advances are non-interest bearing, unsecured, and repayable on demand. During the period from 30 June 2024 to 30 November 2024, the Group repaid HK\$1,421,000 to Mr. Lei Hong Wai.

As at 30 November 2024, the outstanding balance of the cash advances from Mr. Lei Hong Wai was nil.

- (ix) At 30 June 2024, the outstanding balance of the cash advances from Mr. Lei Hong Wai was HK\$18,043,000. During the period from 30 June 2024 to 30 November 2024, Mr. Lei Hong Wai did not make additional cash advances to the Group. The cash advances are interest bearing at 21.60% per annum, unsecured and repayable on demand. The interest on the cash advances is based on the interest paid/payable by Mr. Lei Hong Wai to a finance company to obtain the cash advances. During the period from 30 June 2024 to 30 November 2024, the Group repaid HK\$5,127,000 to Mr. Lei Hong Wai, and the interest accrued by the Group on cash advances from Mr. Lei Hong Wai amounted to HK\$1,620,000.

As at 30 November 2024, the outstanding balance of the cash advances from Mr. Lei Hong Wai was HK\$14,536,000.

- (x) As at 30 June 2024, the outstanding balance of the cash advances from Ms. Chan Mei Sau Teresina, the spouse of Mr. Cheung Kwok Wai Elton, amounted to HK\$53,180,000. The cash advances are interest-bearing at a one-month HIBOR quoted by Bank East Asia Limited plus 1.30% per annum or 2.50% per annum below the prime rate for Hong Kong dollars quoted by Bank of East Asia Limited, whichever is lower, unsecured, and repayable on demand. The interest on the cash advances is based on the interest paid/payable by Ms. Chan Mei Sau Teresina to Bank of East Asia Limited to obtain the cash

advances. During the period from 30 June 2024 to 30 November 2024, the Group repaid HK\$1,371,000 to Ms. Chan Mei Sau Teresina, and the interest accrued by the Group on cash advances from Ms. Chan Mei Sau Teresina amounted to HK\$778,000.

As at 30 November 2024, the outstanding balance of the cash advances from Ms. Chan Mei Sau Teresina was HK\$52,587,000.

- (b) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have since 31 December 2023, 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 any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

- (a) Mr. Lei Hong Wai holds a 2.42% interest in China Healthwise, a company listed on the Main Board of the Exchange and an associate of the Company. In addition, Mr. Lei is the chairman of the board of directors and an executive director of China Healthwise. The subsidiaries of China Healthwise also engage in money lending business and investment in financial instruments.
- (b) Mr. Cheung Kwok Wai Elton is the vice-chairman of the board of directors and an executive director of China Healthwise, a company listed on the Main Board of the Exchange and an associate of the Company. The subsidiaries of China Healthwise also engage in money lending and investment in financial instruments businesses.

6. LITIGATIONS

Save as disclosed below, as at the Latest Practicable Date, the Group was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

- (a) On 6 May 2021, a Beijing law firm as plaintiff filed a civil claim to the People's Court in Chaoyang District, Beijing, the PRC against four defendants, one of the four defendants is 北京北湖九號商務酒店有限公司 (Beijing Bayhood No. 9 Business Hotel Company Limited, "Bayhood No. 9 Co."), a wholly-owned subsidiary of the Company, for an unsettled legal fee of RMB31,000,000 (equivalent to HK\$33,567,000) (excluding overdue interest) regarding an engagement of such law firm by the four defendants to resolve a civil dispute brought against them by an Independent Third Party in relation to a property transaction in 2010. Details of the civil claim are disclosed in the Company's announcement dated 6 August 2021. The Group has

been advised by a PRC legal adviser that the possibility of Bayhood No. 9 Co. being required to pay the unsettled legal fee is remote. Accordingly, no provision for any liability has been made in respect of the civil claim.

7. MATERIAL CONTRACTS

The following contract (not being contracts entered into in the ordinary course of business) has been entered into by members of the Group within the two years immediately preceding the date of this circular and which are, or may be, material to the Group:

- (a) the subscription agreement dated 23 December 2024 entered into between the Company as issuer and an Independent Third Party as subscriber in relation to the subscription of bond with conditional conversion rights in the aggregate principal amount of HK\$4.00 million.

8. GENERAL

- (a) The company secretary of the Company is Ms. Lo Ming Wan, who is a member of the Hong Kong Institute of Certified Public Accountants, The Chartered Governance Institute in the United Kingdom and The Hong Kong Chartered Governance Institute.
- (b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (c) The Company's principal place of business in Hong Kong is at Unit 1211, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong.
- (d) In the event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.etrinityinv.com.hk>) for not less than 14 days from the date of this circular to the date of the SGM (both days inclusive):

- (a) the Supplemental Agreements.

NOTICE OF SGM



ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting of Eternity Investment Limited (the “**Company**”) will be held at Meeting Room (Soho 1), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Wednesday, 19 February 2025 at 11:00 a.m. to transact the following ordinary business:

ORDINARY RESOLUTION

“**THAT:**

- (i) the Supplemental Agreements (as defined in the circular to the shareholders of the Company dated 24 January 2025 (the “**Circular**”), of which this notice forms part), a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for identification purpose, and the transactions contemplated thereunder be and are hereby confirmed, approved, authorised and/or ratified in all respects; and
- (ii) any director(s) of the Company be and is/are hereby authorised for and on behalf of the Company to execute any documents, instruments and agreements and to do any such acts or things as may be deemed by him/her/them in his/her/their absolute discretion to be necessary or incidental to, ancillary to or in connection with the Supplemental Agreements and the transactions contemplated thereunder and (to the extent permitted by the applicable law, regulations and rules, including the Listing Rules (as defined in the Circular)) to approve and/or make immaterial amendments and modifications (including extension or relaxation of time period or constraints) to the terms and conditions thereof as such director(s) may deem necessary and in the interests of the Company and its shareholders to do so.”

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

Hong Kong, 24 January 2025

NOTICE OF SGM

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of business
in Hong Kong:*
Unit 1211, Shun Tak Centre West Tower
168-200 Connaught Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the special general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his/her/its behalf. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the special general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the special general meeting or any adjournment thereof, should he/she/it so wish.
3. Where there are joint registered holders of any Shares, any one of such holders may vote at the special general meeting, either personally or by proxy, in respect of such Shares as if he/she was solely entitled thereto, but if more than one of such holders be present at the special general meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
4. The register of members of the Company will be closed from Friday, 14 February 2025 to Wednesday, 19 February 2025, both days inclusive, during which period no transfer of Shares can be registered. In order to ascertain shareholders' rights for the purpose of attending and voting at the special general meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 13 February 2025.
5. No gifts, food or beverages will be provided to attendees at the special general meeting.