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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 licensed securities dealer or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

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

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Eternity Technology Holdings Limited

恒達科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1725)

PROPOSALS FOR ADOPTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS OF DIRECTORS AND AUDITORS, RE-ELECTION OF RETIRING DIRECTORS, RE-APPOINTMENT OF AUDITORS, GENERAL MANDATES TO ISSUE SHARES, BUY-BACK SHARES, AND EXTENSION MANDATE AND NOTICE OF 2021 ANNUAL GENERAL MEETING

A notice convening the 2021 annual general meeting of the Company (the “**2021 AGM**”) to be held at Level 22, Nexxus Building, 41 Connaught Road Central, Hong Kong on Wednesday, 2 June 2021 at 11:00 a.m. is set out on pages 17 to 20 of this circular.

Whether or not you are able to attend the 2021 AGM in person, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the 2021 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2021 AGM or any adjournment thereof should you so wish.

PRECAUTIONARY MEASURES AT THE 2021 AGM

Due to the on-going outbreak of COVID-19, the following measures will be taken to safeguard the health and well-being of the Shareholders who are attending the 2021 AGM in person:

- body temperature check
- wearing of surgical face masks
- social distancing
- access restriction for quarantine participants according to the Department of Health of Hong Kong
- no refreshment

Any Shareholders who (i) refuses to co-operate with the precautionary measures; (ii) has a body temperature of over 37.0 degree Celsius; and/ or (iii) has any flu-like symptoms will not be admitted to the venue. The Company reminds the Shareholders that physical attendance is not necessary for the purpose of exercising their rights and encourages the Shareholders to exercise their right to vote by appointing the Chairman of the 2021 AGM as their proxy instead of attending the 2021 AGM in person.

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DEFINITIONS

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

“2020 Annual Report”	the annual report of the Company for the financial year ended 31 December 2020 despatched to the Shareholders on 29 April 2021
“2021 AGM”	the 2021 annual general meeting of the Company to be held at Level 22, Nexxus Building, 41 Connaught Road Central, Hong Kong on Wednesday, 2 June 2021 at 11:00 a.m. or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“associate(s)”	has the same meaning defined in the Listing Rules
“Audit Committee”	the audit committee of the Board
“Auditors”	the auditors of the Company
“Board”	the board of Directors
“Close Associate(s)”	has the meaning defined in the Listing Rules
“Company”	Eternity Technology Holdings Limited 恒達科技控股有限公司, 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 (stock code 1725)
“connected person(s)”	has the meaning defined in the Listing Rules
“Controlling Shareholder”	has the meaning defined in the Listing Rules
“Core Connected Person(s)”	has the meaning defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Issue Mandate”	a general and unconditional mandate proposed to be granted at the 2021 AGM to Directors to exercise all the powers of the Company to allot, issue and deal with Shares up to 20% of the issued share capital of the Company as at the date of passing such resolution
“Latest Practicable Date”	Thursday, 22 April 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Date”	16 August 2018
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan.)
“Repurchase Mandate”	a general and unconditional repurchase mandate proposed to be granted at the 2021 AGM to the Directors to exercise all the powers of the Company to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing such resolution
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“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 Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning defined in the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

LETTER FROM THE BOARD

Eternity Technology Holdings Limited
恒達科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1725)

Executive Directors:

Mr. Ma Fujun (*Chairman*)

Ms. Chen Xiaoyuan

Mr. Cheng Bin

Registered office in Cayman Islands:

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

Independent Non-executive Directors:

Mr. Wu Chi-luen

Mr. Chan Chung Kik, Lewis

Mr. Chow Kit Ting

Principal place of

business in Hong Kong:

Room A, 12th Floor

Granville House

41C Granville Road

Tsim Sha Tsui, Kowloon

Hong Kong

29 April 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
ADOPTION OF THE AUDITED CONSOLIDATED FINANCIAL
STATEMENTS AND REPORTS OF DIRECTORS AND AUDITORS,
RE-ELECTION OF RETIRING DIRECTORS,
RE-APPOINTMENT OF AUDITORS,
GENERAL MANDATES TO ISSUE SHARES,
BUY-BACK SHARES, AND
EXTENSION MANDATE AND
NOTICE OF 2021 AGM**

1. INTRODUCTION

The purpose of this circular is to give you notice of the 2021 AGM and to provide you with details of the resolutions to be proposed at the 2021 AGM relating to:

- (a) the adoption of audited consolidated financial statements and the Reports of the Directors and the Auditors for the year ended 31 December 2020;

LETTER FROM THE BOARD

- (b) the proposed re-election of the retiring Directors;
- (c) the proposed re-appointment of the Auditors;
- (d) the granting of the Issue Mandate to the Directors;
- (e) the granting of the Repurchase Mandate to the Directors; and
- (f) the granting of the Extension Mandate to the Directors.

2. RESOLUTION (1) ADOPTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND THE AUDITORS FOR THE YEAR ENDED 31 DECEMBER 2020

The audited consolidated financial statements of the Company for the year ended 31 December 2020 together with the Reports of the Directors and the Auditors, are set out in the 2020 Annual Report which will be sent to the Shareholders together with this circular. The 2020 Annual Report may be viewed and downloaded from the Company's website (www.szeternity.com) and the Hong Kong Exchanges and Clearing Limited's website (www.hkexnews.hk). The audited consolidated financial statements have been reviewed by the Audit Committee.

3. RESOLUTION (2) RE-ELECTION OF RETIRING DIRECTORS

The Board currently comprises three Executive Directors, namely Mr. Ma Fujun (chairman of the Board and chief executive officer of the Company), Ms. Chen Xiaoyuan and Mr. Cheng Bin; and three Independent Non-executive Directors, namely Mr. Chan Chung Kik, Lewis, Mr. Wu Chi-luen and Mr. Chow Kit Ting.

Pursuant to Article 84(1) of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to the retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

Pursuant to Article 84(1) of the Articles of Association, Ms. Chen Xiaoyuan and Mr. Chan Chung Kik, Lewis will retire and, being eligible, offer themselves for re-election at the 2021 AGM.

The re-election of Directors has been reviewed by the Nomination Committee which recommended to the Board that the re-election be proposed for Shareholders' approval at the 2021 AGM. The nominations were made in accordance with the nomination policy of the Company and the objective criteria for the nominations including but not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service, with due regard for the benefits of diversity as set out under the board diversity policy of the Company.

LETTER FROM THE BOARD

In recommending Ms. Chen Xiaoyuan to stand for re-election as an Executive Director and Mr. Chan Chung Kik, Lewis to stand for re-election as an Independent Non-executive Director, the Nomination Committee has considered the following backgrounds and attributes of the nominees concerned:

- (a) Ms. Chen Xiaoyuan has over 22 years of experience in accounting and finance and graduated from the Jiangxi University of Finance and Economics majoring in foreign-related Accounting in 1995; and
- (b) Mr. Chan Chung Kik, Lewis has more than 23 years of experience in auditing, accounting and corporate finance. He obtained a Bachelor's Degree of Commerce in Accounting from the University of Canberra in Australia in 1997 and is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia.

The Nomination Committee considered that in view of their diverse and different educational backgrounds and professional knowledge and experience in the respective fields of business management and accounting and finance as mentioned above and as set out in Appendix I to this circular, the re-election of Ms. Chen Xiaoyuan and Mr. Chan Chung Kik, Lewis as Directors will bring valuable perspectives, knowledge, skills and experiences to the Board for its efficient and effective functioning and their appointments will contribute to the diversity of the Board appropriate to the requirements of the Company's business.

The Nomination Committee has also assessed the independence of Mr. Chan Chung Kik, Lewis who satisfies the independence guidelines as set out in Rule 3.13 of the Listing Rules and has provided to the Company annual written confirmations of his independence.

At the 2021 AGM, an ordinary resolution will be proposed to re-elect Ms. Chen Xiaoyuan as Executive Director and Mr. Chan Chung Kik, Lewis as Independent Non-executive Director.

Details of the above mentioned retiring Directors who are subject to re-election at the 2021 AGM are set out in Appendix I to this circular.

4. RESOLUTION (3) RE-APPOINTMENT OF THE AUDITORS

PricewaterhouseCoopers will retire as the Auditors at the 2021 AGM and, being eligible, offer themselves for re-appointment.

The Board, upon the recommendation of the Audit Committee, proposed to re-appoint PricewaterhouseCoopers as the Auditors and to hold office until the conclusion of the 2022 annual general meeting of the Company.

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5. PROPOSED ISSUE MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

At the annual general meeting of the Company held on 15 May 2020, a general mandate was given to the Directors to exercise the powers of the Company to:

- (a) allot, issue and deal with Shares not exceeding 20% of the total number of Shares in issue immediately following the completion of the public offer and placing of the Company's shares (the "**Share Offer**") and the capitalisation issue;
- (b) repurchase Shares up to 10% of the total number of Shares in issue immediately following the completion of the Share Offer and the capitalisation issue; and
- (c) extend to the general mandate to allot, issue and deal with Shares pursuant to paragraph (a) above to include the aggregate number of Shares which may be repurchased pursuant to paragraph (b) above.

The above general mandates will expire at the conclusion of the 2021 AGM and the purpose of this circular is to request the approval of the Shareholders to renew the general mandate as referred to in paragraphs (a), (b) and (c) above in the 2021 AGM to be held on 2 June 2021.

Issue Mandate

At the 2021 AGM, an ordinary resolution will be proposed to grant to the Directors a new general and unconditional mandate to allot, issue and otherwise deal with the Shares representing up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the proposed resolution (the "**Issue Mandate**").

As at the Latest Practicable Date, the issued share capital of the Company comprised 300,000,000 Shares. Subject to the passing of the relevant resolution to approve the Issue Mandate and on the basis that no further Shares will be allotted and issued or repurchased prior to the date of the 2021 AGM, the Directors would be authorised to allot, issue and otherwise deal with a maximum of 60,000,000 Shares under the Issue Mandate.

Repurchase Mandate

At the 2021 AGM, an ordinary resolution will also be proposed such that the Directors be given an unconditional general mandate to repurchase Shares on the Stock Exchange of an aggregate amount of up to 10% of the number of the issued Share as at the date of granting of the Repurchase Mandate (the "**Repurchase Mandate**").

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the 2021 AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 30,000,000 Shares.

LETTER FROM THE BOARD

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

Extension Mandate

In addition, subject to the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the 2021 AGM to authorise the Directors to extend the Issue Mandate to allot and issue Shares by an amount of Shares representing the aggregate number of Shares purchased or repurchased by the Company pursuant to the authority granted to the Directors under the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate number of the issued Shares as at the date of passing the resolution for approving the Repurchase Mandate (the “**Extension Mandate**”).

The Issue Mandate and the Repurchase Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the 2021 AGM; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or the applicable laws of the Cayman Islands to be held; or (c) revocation or variation by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

The Directors have no present intention to exercise the Issue Mandate, the Repurchase Mandate and the Extension Mandate (if granted to the Directors at the 2021 AGM).

6. CLOSURE OF THE REGISTER OF MEMBERS

The 2021 AGM will be held on Wednesday, 2 June 2021 at 11:00 a.m. For determining the entitlement to attend and vote at the 2021 AGM, the register of members of the Company will be closed from Friday, 28 May 2021 to Wednesday, 2 June 2021, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the 2021 AGM, unregistered holders of the Shares should ensure that all share transfer forms accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the Company’s branch share registrar and transfer office in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 27 May 2021.

7. 2021 AGM

A notice convening the 2021 AGM is set out on pages 17 to 20 of this circular. The 2021 AGM will be held at Level 22, Nexxus Building, 41 Connaught Road Central, Hong Kong on Wednesday, 2 June 2021 at 11:00 a.m., for the purpose of considering and, if thought fit, approving the resolutions as set out therein.

LETTER FROM THE BOARD

Article 66(1) of the Articles of Association provides that on a poll, every Shareholder present in person or by proxy shall have one vote for every fully paid Share held by that Shareholder. An announcement on the poll vote results will be made by the Company after the 2021 AGM, in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the 2021 AGM is also enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to Computershare Hong Kong Investor Services Limited, the branch share registrar and transfer office of the Company in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, and in any event not later than 48 hours before the time appointed for holding the 2021 AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the 2021 AGM or any adjournment thereof should you so wish.

8. RESPONSIBILITY OF THE DIRECTORS

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.

9. RECOMMENDATION

At the 2021 AGM, ordinary resolutions will be proposed to approve, among other matters, the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; the re-election of retiring Directors and the re-appointment of Auditors.

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the re-election of Directors and the re-appointment of the Auditors are in the best interests of the Company and the Shareholders. The Directors believe that an exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company. The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be exercised when the Directors believe that such buy-back of Shares will benefit the Company and the Shareholders. An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and/or gearing position of the Company. The Directors do not, however, intend to make any buy-back in circumstances that would have a material adverse impact on the working capital requirements or the gearing levels of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of all resolutions to be proposed at the 2021 AGM.

LETTER FROM THE BOARD

10. GENERAL INFORMATION

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

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

Yours faithfully,
By order of the Board
Eternity Technology Holdings Limited
Ma Fujun
Chairman

APPENDIX I PARTICULARS OF RETIRING DIRECTORS FOR RE-ELECTION

The biographical details of the retiring Directors eligible for re-election at the 2021 AGM are set out as follows:

EXECUTIVE DIRECTOR

Ms. Chen Xiaoyuan (陳筱媛), aged 47, is an Executive Director of the Company. Ms. Chen was first appointed as a Director of the Company on 15 March 2017. Ms. Chen is also a director and vice general manager of Shenzhen Hengchang Sheng and a supervisor of other subsidiary of the Company. She is primarily responsible for the accounting and financial functions of our Group. Ms. Chen graduated from Jiangxi University of Finance and Economics majoring in foreign-related Accounting in June 1995. Ms. Chen joined our Group on 27 August 2007 as a manager of the Finance Department of Shenzhen Hengchang Sheng and was promoted to a vice general manager in April 2015. Prior to joining Shenzhen Hengchang Sheng, she worked as a financial manager at Telehof Electronics Instruments & Equipment (Shenzhen) Co., Ltd, which specialised in the manufacture and sales of security products and surge protective devices, from October 1997 to October 2006.

Ms. Chen Xiaoyuan has entered into a service agreement with the Company as Executive Director for a period of three years commencing from the Listing Date and will continue thereafter. Ms. Chen Xiaoyuan is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Articles of Association. For the year ended 31 December 2020, Ms. Chen Xiaoyuan received emoluments (including annual discretionary bonus) of approximately RMB581,000 (inclusive of her salary received under the labour contract entered into with the members of the Group), which is determined with reference to the prevailing market condition and her knowledgeable experience for the industry. Her remuneration and discretionary bonus will be subject to annual review by the Remuneration Committee and the Board from time to time with reference to her responsibilities and performance. Her appointment is subject to the provisions of retirement by rotation of Directors under the Articles of Association.

Saved as disclosed above, (i) Ms. Chen Xiaoyuan has not held any other directorships in any public companies which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) Ms. Chen Xiaoyuan has not held any other positions in the Company and other members of the Group; and (iii) Ms. Chen Xiaoyuan does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed on pages 14 to 15 of this circular, as at the Latest Practicable Date, Ms. Chen Xiaoyuan did not have any other interests in the securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is nothing which needs to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules in respect of Ms. Chen Xiaoyuan's re-election.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Chan Chung Kik Lewis (陳仲戟), aged 48, has been appointed as an Independent Non-executive Director since 25 July 2018. He is primarily responsible for overseeing the management of our Group independently. Mr. Chan obtained a Bachelor's Degree of Commerce in Accounting from the University of Canberra in Australia in September 1997. He is currently a fellow of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. Mr. Chan has more than 23 years of experience in auditing, accounting and corporate finance. Mr. Chan is currently the chief financial officer and the company secretary of Brilliant Circle Holdings International Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1008). He served as an independent non-executive director of Shandong Xinhua Pharmaceutical Company Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 719) and the Shenzhen Stock Exchange (Stock Code: 000756), from May 2014 to June 2018. Mr. Chan also serves as the independent non-executive director of (i) Hong Guang Lighting Holdings Company Limited, a company listed on GEM Board of the Stock Exchange (Stock Code: 8343), since December 2016; (ii) Founder Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 418), since March 2017; (iii) Peking University Resources (Holdings) Company Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 618), since March 2017; and (iv) Wing Chi Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 6080), since September 2017.

Mr. Chan Chung Kik Lewis has entered into a service agreement with the Company as Independent Non-executive Director for a period of three years commencing from the Listing Date. Mr. Chan Chung Kik Lewis is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Articles of Association. Mr. Chan Chung Kik Lewis's annual remuneration is HK\$120,000. The amount of emoluments is determined by arm's length negotiation between the parties with reference to the prevailing market rate and the Company's policy.

Other than disclosed above, Mr. Chan Chung Kik Lewis has not held any directorships in any other public companies in the past three years. Save as disclosed in this circular, Mr. Chan Chung Kik Lewis does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date and according to the information received by the Company pursuant to Part XV of the SFO, Mr. Chan Chung Kik Lewis does not have any interests in the Share or any of its associated corporations within the meaning of Part XV of the SFO.

APPENDIX I PARTICULARS OF RETIRING DIRECTORS FOR RE-ELECTION

The Company has received from Mr. Chan Chung Kik Lewis a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers Mr. Chan Chung Kik Lewis is independent.

Save as disclosed above, there is nothing which needs to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules in respect of Mr. Chan Chung Kik Lewis's re-election.

APPENDIX II EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

This appendix serves as an explanatory statement, as required under the Listing Rules to provide the requisite information to you for your consideration of the Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares in issue was 300,000,000. Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the 2021 AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 30,000,000 Shares, being 10% of the entire issued share capital of the Company as at the date of passing the resolution.

REASONS FOR REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole for the Company to have general authority from the Shareholders to enable the Directors to repurchase the Shares in the market. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

FUNDING OF REPURCHASE

Repurchase by the Company must be funded out of funds legally available for such purpose in accordance with the Articles of Association, the applicable laws and regulations of the Cayman Islands and the Listing Rules. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

IMPACT OF REPURCHASE

Taking into account the current working capital position of the Group, the Directors consider that, if the Repurchase Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Group as compared with the position as at 31 December 2020, being the date of the Company's latest published audited consolidated financial statements. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group.

DIRECTORS' INTENTION TO SELL SHARES

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell Shares to the Company or its subsidiaries.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

CONNECTED PARTIES

The Listing Rules prohibit a company from knowingly purchasing its securities on the Stock Exchange from a “core connected person”, that is, a Director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective close associates, and a core connected person (as defined in the Listing Rules) is prohibited from knowingly selling his/her/its securities of the Company to the Company.

As at the Latest Practicable Date, no core connected person has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

EFFECT OF THE TAKEOVERS CODE

If, as a result of a securities repurchase pursuant to the Repurchase Mandate, a Shareholder’s proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code and the provision may apply as a result of any such increase. The Directors are not aware of any consequences of repurchase which would arise under the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders had interests representing 5% or more of the issued share capital of the Company:

Name of Shareholder	Nature of interest	Number of Shares held / interested ⁽¹⁾	Approximate % of the total number of Shares in issue	Approximate % of the total number of Shares in issue should the Repurchase Mandate be exercised in full
Hong Kong Aerospace Technology Group Limited	Beneficial owner ⁽²⁾	212,850,000 ^(L)	70.93%	78.83%
Vision International Group Limited	Interest of a controlled corporation ⁽²⁾	212,850,000 ^(L)	70.93%	78.83%
Mr. Sun Fengquan	Interest of a controlled corporation ⁽²⁾	212,850,000 ^(L)	70.93%	78.83%
Elite Foster International Investment Limited (“Elite Foster”)	Beneficial owner ⁽³⁾	33,750,000 ^(L)	11.25%	12.50%
Mr. Lu Wan Ching	Interest of a controlled corporation ⁽³⁾	33,750,000 ^(L)	11.25%	12.50%
Ms. Wong Yuk Ting	Interest of spouse ⁽⁴⁾	33,750,000 ^(L)	11.25%	12.50%

APPENDIX II EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) The entire issued share capital of Hong Kong Aerospace Technology Group Limited comprises 62.36% ordinary shares (class A) (“Class A Shares”) and 37.64% ordinary shares (class B) (“Class B Shares”), of which 64.61% (comprising of 62.36% Class A Shares and 2.25% Class B Shares) is owned by Vision International Group Limited, which in turn is wholly-owned by Mr. Sun Fengquan. Therefore, Mr. Sun Fengquan and Vision International Group Limited are deemed or taken to be interested in the Shares held by Hong Kong Aerospace Technology Group Limited under the SFO.
- (3) The Shares are held by Elite Foster, which is wholly owned by Mr. Lu Wan Ching. Therefore, Mr. Lu Wan Ching is deemed or taken to be interested in the Shares held by Elite Foster under the SFO.
- (4) Ms. Wong Yuk Ting is the spouse of Mr. Lu Wan Ching. Therefore, Ms. Wong Yuk Ting is deemed or taken to be interested in the Shares in which Mr. Lu Wan Ching is interested under the SFO.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

The Directors will not repurchase the Shares on the Stock Exchange if the repurchase would result in the number of the listed securities which are in the hands of the public falling below 25% of the total issued share capital of the Company, being the relevant minimum prescribed percentage for the Company as required by the Stock Exchange.

SHARE PRICE

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the 12 months immediately preceding (and including) the Latest Practicable Date are as follows:

	Highest HK\$	Lowest HK\$
2020		
April	1.48	1.16
May	1.44	1.19
June	1.59	1.29
July	1.71	1.35
August	1.70	1.43
September	1.51	1.30
October	1.33	1.30
November	1.46	1.30
December	1.46	1.13
2021		
January	1.59	1.19
February	3.80	1.58
March	2.99	1.87
April (up to the Latest Practicable Date)	17.5	2.06

SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.

NOTICE OF 2021 ANNUAL GENERAL MEETING

Eternity Technology Holdings Limited 恒達科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1725)

NOTICE IS HEREBY GIVEN that the 2021 annual general meeting (the “**2021 AGM**”) of Eternity Technology Holdings Limited (the “**Company**”) will be held at Level 22, Nexxus Building, 41 Connaught Road Central, Hong Kong on Wednesday, 2 June 2021 at 11:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive, consider and approve the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2020 and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2020.
2.
 - (a) To re-elect Ms. Chen Xiaoyuan as an Executive Director;
 - (b) To re-elect Mr. Chan Chung Kik, Lewis as an Independent Non-executive Director; and
 - (c) To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
3. To re-appoint PricewaterhouseCoopers as the auditor of the Company and to authorise the Board to fix its remuneration.

To consider as special business and, if thought fit, passing with or without modification, the following resolutions as ordinary resolutions:

4. “**THAT:**
 - (a) subject to paragraph (c) of this resolution, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange** “), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company (“**Shares** “) or securities convertible into the Shares, options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements or options which might require the exercise of such powers, be and is hereby generally and unconditionally approved;

NOTICE OF 2021 ANNUAL GENERAL MEETING

- (b) the approval given in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into the Shares) which might require the exercise of aforesaid powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval given in paragraph (a) and (b) of this resolution, otherwise than pursuant to:
- i. a Rights Issue (as hereinafter defined); or
 - ii. any issue of Shares upon exercise of the rights of subscription or conversion attaching to any warrants issued by the Company or any securities which are convertible into the Shares; or
 - iii. the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to eligible persons of Shares or rights to acquire Shares; or
 - iv. any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on the Shares pursuant to the articles of association of the Company in force from time to time,

shall not in total exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:
- i. the conclusion of the next annual general meeting of the Company;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
 - iii. the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking, renewing or varying of the authority set out in this resolution.

“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares whose names stand on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares at that date (subject to such exclusion or other

NOTICE OF 2021 ANNUAL GENERAL MEETING

arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on the Stock Exchange or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, subject to and in accordance with rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the articles of association of the Company and all applicable laws of the Cayman Islands and/or other applicable laws in this regards, be and the same is hereby generally and unconditional approved;
- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its Shares at a price determined by the Directors;
- (c) the aggregate nominal amount of the Shares repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the time of the passing of this resolution until whichever is the earliest of:
 - i. the conclusion of the next annual general meeting of the Company;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or
 - iii. the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking, renewing and varying the authority set out in this resolution.”

NOTICE OF 2021 ANNUAL GENERAL MEETING

6. “**THAT** conditional upon the passing of Resolutions numbered 4 and 5 set out in the notice of the annual general meeting at which this resolution is considered, the general mandate granted to the Directors to allot, issue or otherwise deal with additional Shares pursuant to Resolution numbered 4 above of which this resolution forms part be and is hereby extended by the addition thereto of the aggregate nominal amount of the Shares which may be repurchased or agreed to be repurchased by the Company under the authority granted pursuant to the Resolution numbered 5 above, provided that such amount of Shares so repurchased by the Company shall not exceed 10% of aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

By order of the Board
Eternity Technology Holdings Limited
Ma Fujun
Chairman

Hong Kong, 29 April 2021

Notes:

- (1) Any member of the Company entitled to attend and vote at the 2021 AGM shall be entitled to appoint another person as its/his/her proxy to attend and vote instead of it/him/her and so appointed shall have the same right as the member to speak at the meeting. A member who is the holder of two or more Shares may appoint one or more proxies to attend and vote instead of it/him/her. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the 2021 AGM is enclosed herewith.
- (3) The form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its seal or the hand of an officer, attorney or other person duly authorised.
- (4) The form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be lodged at the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not later than 48 hours before the time appointed for holding the 2021 AGM or any adjourned meeting (as the case may be) and in default the proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the 2021 AGM or at any adjourned meeting (as the case may be) should they so wish.
- (5) Where there are joint registered holders of any Share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, the vote of that one of the said persons so present whose name stands first on the register of members in respect of such Share shall be accepted to exclusion of the votes of the other joint holders.
- (6) The register of members of the Company will be closed from Friday, 28 May 2021 to Wednesday, 2 June 2021, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending and voting at the 2021 AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 27 May 2021.