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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial loss for the year ended 31 December 2010 as compared to a profit for the year ended 31 December 2009.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Eternity Investment Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial loss for the year ended 31 December 2010 as compared to a profit for the year ended 31 December 2009. The expected substantial loss is attributable to a loss on deemed disposal of an associate arising from the loss of significant influence over China Star Entertainment Limited (stock code: 326) (“**China Star**”) in the second half of 2010. As disclosed in the Company’s interim results announcement dated 30 August 2010, the Group did not take up any of its entitlement under the rights issue as announced by China Star on 8 July 2010 and sold the nil-paid rights shares on market for cash. Upon the allotment and issue of 1,444,643,184 rights shares by China Star on 11 August 2010, the Group’s shareholding interest in China Star was diluted from 23.54% to 15.69% and ceased to have significant influence over China Star. Accordingly, the Group discontinued to account for its investment in China Star using equity method and has accounted for it as financial asset in accordance with HKSA 39 “Financial Instruments: Recognition and Measurement”.

Nevertheless, the Board is of the view that such loss will not have any material adverse impact on the business operation of the Group and the financial position of the Group remains sound.

The Company is still in the process of finalising the audited financial statements of the Group for the year ended 31 December 2010. The information contained in this announcement is a preliminary assessment on the management accounts of the Group by the Board but has not been confirmed by the Company's auditors. Details of the Group's performance will be disclosed in the results announcement of the Company for the year ended 31 December 2010 which is expected to be released in March 2011.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 4 January 2011

As at the date of this announcement, the Board comprises of two executive Directors, namely, Mr. Lei Hong Wai and Mr. Chan Kin Wah, Billy; and three independent non-executive Directors, namely, Mr. Tang Chak Lam, Gilbert, Mr. Hung Hing Man and Mr. Wan Shing Chi.