

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **ETERNITY INVESTMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 764)**

### **VERY SUBSTANTIAL ACQUISITION AND RESUMPTION OF TRADING**

#### **THE ACQUISITION**

On 25 May 2011 (after trading hours of the Stock Exchange), the Purchaser and the Vendor entered into the Sale and Purchase Agreement pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Share free from all Encumbrances at the Acquisition Price of HK\$267.60 million.

Completion is subject to fulfillment or waiver of the conditions precedent as set out in the section headed “Conditions precedent” below in this announcement.

Rexdale, which is a wholly owned subsidiary of One Synergy, is the registered and beneficial owner of the Property and One Synergy is a wholly owned subsidiary of the Target Company. Further information on Rexdale, One Synergy, the Target Company, the Target Group and the Property has been disclosed under the sections headed “Financial information on the Target Company and its subsidiaries” and “Information of the Property” below, respectively.

Upon Completion, each of the Target Company, One Synergy and Rexdale will become a wholly owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group. It is currently intended by the Company that it will hold the Property as investment property for resale purpose.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. The Sale and Purchase Agreement, the Deed of Indemnity and the transactions contemplated thereunder are therefore subject to the Shareholders' approval at the SGM.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreement, the Deed of Indemnity and the transactions contemplated thereunder. The aforesaid approvals shall be obtained by way of a poll. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Sale and Purchase Agreement, the Deed of Indemnity and the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting for the resolutions to approve the Sale and Purchase Agreement, the Deed of Indemnity and the transactions contemplated thereunder at the SGM.

A circular containing, among other things, details of the Acquisition and the notice of the SGM is expected to be dispatched to the Shareholders on or before 30 September 2011 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

**Shareholders and investors should note that the Sale and Purchase Agreement is subject to various conditions as stated in the section headed "Conditions precedent" in this announcement and therefore the Acquisition may or may not complete. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares.**

## **RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:00 a.m. on 26 May 2011 pending the release of this announcement. The Company has applied for a resumption of trading in the Shares with effect from 9:00 a.m. on 3 June 2011.

Reference is made to the announcement of the Company dated 26 May 2011 in relation to the suspension of trading in the Shares pending the release of this announcement, the Company wishes to clarify that it has decided not to proceed the very substantial disposal at this stage and will publish another announcement if it will be proceeded later.

## THE ACQUISITION

### The Sale and Purchase Agreement

Date: 25 May 2011

Purchaser: Riche (BVI) Limited, a wholly owned subsidiary of the Company

Vendor: Vartan Holdings Limited, an investment holding company

To the best of Directors' knowledge, information and belief, having made all reasonable enquiry, the Vendor and the ultimate beneficial owner of the Vendor are Independent Third Parties and not connected with any directors, chief executive or substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates.

### Assets to be acquired

Subject to the terms and conditions of the Sale and Purchase Agreement, the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Share free from all Encumbrances.

The Vendor is the sole legal and beneficial owner of the Sale Share, which represents the entire issued share capital of the Target Company. One Synergy is a wholly owned subsidiary of the Target Company and Rexdale is a wholly owned subsidiary of One Synergy. Rexdale is the legal and beneficial owner of the Property.

The Sale Share shall be sold and transferred to the Purchaser together with all rights and liabilities of any nature whatsoever attaching to them on the date of the Sale and Purchase Agreement, including the rental income on the Property, all rights to any dividends or other distributions declared, paid or made in respect of them after the date of the Sale and Purchase Agreement.

### The Acquisition Price

The Acquisition Price of HK\$267.60 million has been and shall be settled in cash in the following manner:

- (a) a deposit (the "**Initial Deposit**") of HK\$45.00 million has been paid by the Purchaser to the Vendor's nominee upon signing of the Sale and Purchase Agreement;
- (b) a further deposit in the sum equivalent to the outstanding balance of the HSBC Mortgage together with interest and expenses (the "**Further Deposit**") shall be payable to the Purchaser's solicitors as stakeholder within 2 business days from the date when the Company has obtained approval by the Shareholders at the SGM of the Sale and Purchase Agreement, the Deed of

Indemnity and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules, such Further Deposit shall be released to the Vendor's solicitors by way of a cheque drawn in favour of HSBC on the date when the HSBC Mortgage will be redeemed; and

- (c) the balance of the Acquisition Price shall be payable by the Purchaser by way of a cheque drawn in favour of the Vendor or its nominees at Completion.

The Acquisition Price was agreed between the Purchaser and the Vendor after arm's length negotiations with reference to the consolidated net assets of the Target Group as at 25 May 2011, being the date of the Sale and Purchase Agreement, the outstanding balance owed by Rexdale to HSBC as at 25 May 2011 under the HSBC Mortgage and a property valuation conducted by Norton Appraisals, an independent professional valuer appointed by the Company, on an open market basis valuing the Property at HK\$400.00 million as at 15 May 2011.

In valuing the Property at HK\$400.00 million, Norton Appraisals has adopted Investment Approach by taking into account the current rents passing and the reversionary income potential of the tenancies or, wherever appropriate, the Direct Comparison Approach by making reference to comparable sale evidence as available in the relevant market, the leased portion of the Property is currently let at a monthly rental of HK\$1.04 million.

The Acquisition Price will be financed by internal resources of the Group, external borrowings and/or equity financing.

The Company is contemplating various equity financing plans, which involve placing of new shares and rights issue, and is in negotiation with placing agents and underwriters, who are Independent Third Parties. However, no concrete terms and conditions have been reached and/or finalised as at the date of this announcement.

The Company has no plan to introduce any new controlling Shareholder or Director.

### **Conditions precedent**

Completion shall be conditional upon the following matters having occurred:

- (a) the approval by the Shareholders at the SGM of the Sale and Purchase Agreement, the Deed of Indemnity and the transactions contemplated under the Sale and Purchase Agreement in accordance with the requirements of the Listing Rules;
- (b) all licenses, permissions, authorizations, certificates, regulatory approvals and consents in relation to the transactions contemplated under the Sale and Purchase Agreement under any applicable laws, statutes, regulations and ordinances having been obtained by the Company and the parties thereto;

- (c) the Purchaser having satisfied at its sole and absolute discretion in all material respects with its due diligence investigation in respect of the Target Group, including but not limited to an inspection and investigation as to the legal status, the financial, operation, contractual, taxation and management of the Target Group and the title of the Property;
- (d) the release and discharge of each of the HSBC Charges;
- (e) any amount due and outstanding from any member of the Target Group to the Vendor as at the date of the Sale and Purchase Agreement has been waived;
- (f) the warranties remaining true and accurate in all material aspects and not misleading in any material respect, at all times subsequent to the date of the Sale and Purchase Agreement up to and including the date of Completion as if repeated on each day immediately prior to the date of Completion;
- (g) there must not be in effect, published, introduced or otherwise formally proposed law or judgment, and there must not have been commenced or threatened any proceeding, that in any case could prohibit, prevent or make illegal the consummation of any of the transactions contemplated by the Sale and Purchase Agreement; and
- (h) no Material Adverse Effect occurred on each member of the Target Group and the Property prior to Completion.

The Vendor undertakes to use its best endeavour to procure that conditions (b) to (f) are satisfied on or before the Long Stop Date. The Purchaser undertakes to use its best endeavour to procure that conditions (a) to (c) are satisfied on or before the Long Stop Date. For the avoidance of doubt, if a party has used its best endeavors to satisfy a condition precedent for which it is responsible but such condition precedent cannot be satisfied by the Long Stop Date, such party shall not be deemed as having committed a breach of the Sale and Purchase Agreement.

The Purchaser shall be entitled in its absolute discretion to waive conditions (c) and (e). Such waiver shall not imply that the party is not relying on the warranties but rather only that it is prepared, in reliance upon the warranties and such comfort, if any, as it has taken from its investigations, to proceed with the transactions contemplated under the Sale and Purchase Agreement.

## **Completion**

Completion shall take place on the date which is the third business days immediately following the date on which all of the above conditions precedent have been satisfied or waived (as applicable) or such other date as the parties may agree in writing on which the completion occurs. Completion is expected to take place by 31 December 2011.

Upon Completion, the Purchaser shall be responsible for the Promissory Note, which is secured by a charge of 100% equity interest in Rexdale to Lafe Corporation Limited. The charge of 100% equity interest in Rexdale will be released upon repayment of the Promissory Note.

## **Termination**

If any of the above conditions precedent has not been fulfilled (or waived by the Purchaser) by the Long Stop Date, the Sale and Purchase Agreement shall automatically be terminated and shall cease to have any further force and effect and the Vendor shall forthwith return the Initial Deposit and/or the Further Deposit paid by the Purchaser, and no party to the Sale and Purchase Agreement shall have any liability under them (without prejudice to the rights of the parties in respect of any antecedent breaches).

## **The Deed of Indemnity**

### *Parties to the Deed of Indemnity*

Parties:

- (a) the Vendor;
- (b) the Target Company;
- (c) One Synergy;
- (d) Rexdale; and
- (e) the Purchaser.

To the best of Directors' knowledge, information and belief, having made all reasonable enquiry, each of the Vendor, Target Company, One Synergy, Rexdale and their ultimate beneficial owner are Independent Third Parties and not connected with any directors, chief executive or substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates.

### *Key Terms of the Deed of Indemnity*

Pursuant to the terms of the Deed of Indemnity, the Vendor undertakes to indemnify and keep indemnified the Purchaser (for itself and as trustee for the Target Group) and the Target Group against any loss or liability suffered by the Purchaser or the Target Group including, but not limited to, any diminution in the value of the assets (other than the Property) of or shares in the Target Group as at the date of the Sale and Purchase Agreement, any payment made or required to be made by the Purchaser or any member of the Target Group and any costs and expenses incurred as a result of or in connection with any claim falling on the Target Group resulting from or by reference to any income, profits or gains earned, accrued or received on or before the date of the Sale and Purchase

Agreement or any event on or before the date of the Sale and Purchase Agreement whether alone or in conjunction with other circumstances and whether or not such taxation is chargeable against or attributable to any other person, firm or company, to the extent that provision in respect thereof has not been made in the unaudited consolidated management accounts of the Target Group as at 25 May 2011.

## **FINANCIAL INFORMATION ON THE TARGET COMPANY AND ITS SUBSIDIARIES**

### **The Target Company**

The Target Company is a company incorporated under the laws of British Virgin Islands with limited liability on 9 November 2010. The principal business activity is investment holding. The principal asset of the Target Company is the 100% equity interest in One Synergy.

Based on the management accounts of the Target Company for the period from 9 November 2010 (date of incorporation) to 31 December 2010, the unaudited loss before and after taxation of the Target Company for the period ended 31 December 2010 were both HK\$6,318. The unaudited net liabilities of the Target Company amounted to HK\$6,310 as at 31 December 2010.

### **One Synergy**

One Synergy is a company incorporated in Hong Kong with limited liability on 21 December 2010. The principal business activity is investment holding. One Synergy acquired the 100% equity interest in Rexdale from Lafe Corporation Limited, an Independent Third Party, on 31 December 2010. The principal asset of One Synergy is the 100% equity interest in Rexdale, which is charged to Lafe Corporation Limited to secure the repayment of the Promissory Note.

Based on the management accounts of One Synergy for the period from 21 December 2010 (date of incorporation) to 31 December 2010, the unaudited loss before and after taxation of One Synergy for the period ended 31 December 2010 were both HK\$0.16 million. The unaudited net liabilities of One Synergy amounted to HK\$0.16 million as at 31 December 2010.

### **Rexdale**

Rexdale is a company incorporated in Hong Kong with limited liability on 23 June 1981. The principal business activity is property holding and entering into of leases with tenants of the Property. The principal asset of Rexdale is the Property.

Based on the audited accounts, which were prepared in accordance with Hong Kong Financial Reporting Standards, of Rexdale for the year ended 31 December 2009, the audited profit before and after taxation of Rexdale for the year ended 31 December 2009 were HK\$11.60 million and HK\$9.92 million respectively. The audited net assets of Rexdale amounted to HK\$122.12 million as at 31 December 2009. Based on the management accounts of Rexdale for the year ended 31 December

2010, the unaudited profit before and after income tax credit of Rexdale for the year ended 31 December 2010 were HK\$38.15 million and HK\$39.28 million respectively. The unaudited net assets of Rexdale amounted to HK\$187.56 million as at 31 December 2010.

### **The Target Group**

Based on the consolidated management accounts of the Target Group for the period from 1 January 2011 to 25 May 2011, the unaudited consolidated profit before and after taxation were both HK\$0.52 million. The unaudited consolidated net assets of the Target Group amounted to HK\$2.84 million as at 25 May 2011.

The unaudited consolidated total assets of the Target Group as at 25 May 2011 was HK\$303.21 million, which consists of the Property of HK\$300.00 million, cash and bank balances of HK\$2.49 million and deposit, prepayment and other receivables of HK\$0.72 million. The unaudited consolidated total liabilities of the Target Group as at 25 May 2011 was HK\$300.37 million, which consists of mortgage loan of HK\$177.60 million, the Promissory Note of HK\$118.00 million, accruals, deposit received and other payable of HK\$4.23 million and deferred taxation of HK\$0.54 million.

### **Impacts of the HSBC Charges and the Promissory Note**

Other than the disclosures of pledged assets, the HSBC Charges and the Promissory Note do not have any impact on the financial statements of the relevant entities.

### **INFORMATION OF THE PROPERTY**

The Property is situated in a building, namely The Grande Building (嘉域大厦), located at Nos. 398-402 Kwun Tong Road (formerly known as No.95 How Ming Street), Kowloon, Hong Kong (the “**Building**”), particularly the sole and exclusive right and privilege to hold use occupy and enjoy Factory A on the First Floor (including its Flat Roof) of the Building, Factory B on the First Floor (including its Flat Roof) of the Building, Sixth Floor of the Building, Factory A on the Seventh Floor of the Building, Factory B on the Seventh Floor of the Building, Factory A on the Eighth Floor of the Building, Factory B on the Eighth Floor of the Building, Factory A on the Ninth Floor of the Building, Factory B on the Ninth Floor of the Building, Tenth Floor of the Building, Eleventh Floor of the Building, Twelfth Floor of the Building, Roof of the Building, External Walls of the Building, Lavatory A and Lavatory B on the Ground Floor of the Building and Car Parking Spaces Nos.1, 2, 3, 14, 15, 16, 17, 18, 19, 20 and 21 on the Ground Floor of the Building. The Property takes up 367 equal undivided 622nd parts or shares of the Land on which the Property is situated.

The Building is an industrial building comprises 13-storey, which was built in 1981. The Property has a total gross floor area of approximately 139,412 square feet.



Based on the existing arrangements of the tenancy of the Property, the current monthly rental income of the Property is approximately HK\$1.04 million (exclusive of government rates, management fee and all other outgoings and utility charges). The Property is subject to the HSBC Mortgage and charged to the HSBC.

## **REASONS FOR THE ACQUISITION**

The Company is an investment holding company and its subsidiaries are principally engaged in distribution of films, sub-licensing of film rights, sales of financial assets and provision of management services to concierge departments of gaming promoters.

Following the 2008 financial crisis, investors are allocating their wealth from equities and structured products to real estate assets as they believe real estate assets provide not only a stable income flow in short run, but also an opportunity for capital gain in long run. Real estate assets are also effective against inflation. With a view to expand into property investment/development business, the Group entered into a joint venture agreement with an independent third party on 21 July 2010 for the purpose of setting up a joint venture company engaging in the business of conducting, development and investing into real estate and related projects in Vietnam. As the independent third party failed to obtain the relevant approvals and consents from the Government of Vietnam in relation to the setting up of the joint venture company on or before the long stop date, the joint venture agreement was lapsed on 31 December 2010. As stated in the Company's joint announcement with China Star Entertainment Limited dated 9 February 2011, the Company has intended to expand into property investment/development business on its own given the formation of the joint venture company cannot be completed. Given land is a scarce resource in Hong Kong and the land supply of Hong Kong is limited, the Directors are positive on the Hong Kong property market. Accordingly the Directors consider that the terms of the Sale and Purchase Agreement and the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole on the following grounds:

- (a) the Acquisition is in line with the Group's business strategy;
- (b) the Acquisition presents an opportunity to the Group to expand into property investment business on its own; and
- (c) the Property is located at Kwun Tong, a long-standing industrial area in Kowloon.

During the financial years of 2006 to 2009, the Group had carried out property investment business in Beijing, the People's Republic of China via Shinhan-Golden Faith International Development Limited, a then wholly owned subsidiary of the Group. As such, the Directors consider that the Acquisition enables the Group to re-entry into property investment business.

Upon Completion, whilst the Group will continue to carry out its existing businesses, the Group will also carry out the property investment business.

Upon Completion, each of the Target Company, One Synergy and Rexdale will become a wholly owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group. It is currently intended by the Company that it will hold the Property as an investment property for resale purpose.

Having considered the potential growth of the property market in Hong Kong which enable the Group to enjoy the benefit from the capital appreciation of the property investment and the positive impact on the profitability of the Group, the Board is of the view that the Acquisition represents a good opportunity for the Company to participate in the property market in Hong Kong, and therefore is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. The Sale and Purchase Agreement, the Deed of Indemnity and the transactions contemplated thereunder are therefore subject to the Shareholders' approval at the SGM.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreement, the Deed of Indemnity and the transactions contemplated thereunder. The aforesaid approvals shall be obtained by way of a poll. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Sale and Purchase Agreement, the Deed of Indemnity and the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting for the resolutions to approve the Sale and Purchase Agreement, the Deed of Indemnity and the transactions contemplated thereunder at the SGM.

A circular containing, among other things, details of the Acquisition and the notice of the SGM is expected to be dispatched to the Shareholders on or before 30 September 2011 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

**Shareholders and investors should note that the Sale and Purchase Agreement is subject to various conditions as stated in the section headed "Conditions precedent" in this announcement and therefore the Acquisition may or may not complete. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares.**

## **RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:00 a.m. on 26 May 2011 pending the release of this announcement. The Company has applied for a resumption of trading in the Shares with effect from 9:00 a.m. on 3 June 2011.

Reference is made to the announcement of the Company dated 26 May 2011 in relation to the suspension of trading in the Shares pending the release of this announcement, the Company wishes to clarify that it has decided not to proceed the very substantial disposal at this stage and will publish another announcement if it will be proceeded later.

## **DEFINITIONS**

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

“Acquisition”	the proposed acquisition of the Sale Share by the Purchaser from the Vendor in accordance with terms and conditions of the Sale and Purchase Agreement
“Acquisition Price”	HK\$267.60 million, being the consideration for the Sale Share payable by the Purchaser to the Vendor pursuant to the Sale and Purchase Agreement
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Building”	has the meaning as set out in the section headed “Information of the Property”
“Company”	Eternity Investment Limited, a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board of the Stock Exchange (stock code: 764)
“Completion”	completion of the sale and purchase of the Sale Share in accordance with terms and conditions of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Deed of Indemnity”	the deed of indemnity to be executed by the Vendor, each member of the Target Group and the Purchaser upon Completion
“Direct Comparison Approach”	a valuation approach based on the theory that an informed purchaser would pay no more for a property than the cost of acquiring another existing and equivalent property. The value estimate is based on the selling price and listings of comparable properties with appropriate adjustments. For the avoidance of doubt, this approach does not have any profit forecast element

“Director(s)”	the director(s) of the Company
“Encumbrance”	mortgage, charge, lien, hypothecation or other encumbrance, priority or security interest or third party rights, claims or adverse interests and “Encumber” shall be construed accordingly
“Further Deposit”	has the meaning as set out in the section headed “The Acquisition Price”
“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 People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“HSBC Assignment of Rental”	the assignment of rental dated 14 January 2011 executed by Rexdale in favour of HSBC registered at the Land Registry by Memorial No.11020902540052
“HSBC Charges”	the HSBC Assignment of Rental, the HSBC Deed of Debenture, the HSBC Mortgage, the HSBC Share Mortgage and the HSBC Subordination Agreement
“HSBC Deed of Debenture”	the deed of debenture dated 14 January 2011 executed by Rexdale in favour of HSBC
“HSBC Mortgage”	the legal charge/mortgage dated 14 January 2011 executed by Rexdale in favour of HSBC registered at the Land Registry by Memorial No.11020902540043
“HSBC Share Mortgage”	the share mortgage dated 14 January 2011 executed by One Synergy in favour of HSBC
“HSBC Subordination Agreement”	the subordination agreement dated 14 January 2011 executed by One Synergy in favour of HSBC
“Independent Third Party/(ies)”	a party or parties being independent of the Company, its connected persons and their respective associates
“Initial Deposit”	has the meaning as set out in the section headed “The Acquisition Price”

“Investment Approach”	a valuation approach that relates to income-producing property and is based on the theory that value is the present worth of the income stream which the property is capable of producing. The net operating income from the property is capitalised into value by an appropriate yield. For the avoidance of doubt, this approach does not have any profit forecast element
“Land”	all that piece or parcel of ground registered in the Land Registry of Hong Kong as Section A of Kwun Tong Inland Lot No. 195
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2011 or such other date as the parties may agree in writing
“Material Adverse Effect”	any change or event that would have a material adverse effect on the business, assets, properties, liabilities, financial condition, operating results or operations, taken as a whole, and any change or event which will result in a diminution in value of the Target Group otherwise than in the usual and ordinary course of business
“One Synergy”	One Synergy Limited, a company incorporated under the laws of Hong Kong with limited liability and a wholly owned subsidiary of the Target Company
“Promissory Note”	the secured and interest-free promissory note of HK\$118.00 million issued by One Synergy in favour of Lafe Corporation Limited maturing on 31 December 2011
“Property”	the units of the Building as set out in the section headed “Information of the Property”
“Purchaser”	Riche (BVI) Limited, a company incorporated in the British Virgin Island with limited liability and a wholly owned subsidiary of the Company
“Rexdale”	Rexdale Investment Limited (formerly Lafe Properties (Hong Kong) Limited, The Grande Properties Limited, LAFE’ Electronics Limited and Po Trading Co. Limited), a company incorporated under the laws of Hong Kong with limited liability and a wholly owned subsidiary of One Synergy
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 25 May 2011 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Share

“Sale Share”	1 share of US\$1.00 in the Target Company, representing the entire issued share capital of the Target Company
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreement, the Deed of Indemnity and the transactions contemplated thereunder
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Adelio Holdings Limited, a company with limited liability and incorporated under the laws of British Virgin Islands
“Target Group”	the Target Company, One Synergy and Rexdale
“Vendor”	Vartan Holdings Limited, a company incorporated under the laws of British Virgin Islands with limited liability
“%”	per cent

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

Hong Kong, 2 June 2011

*As at the date of this announcement, the Board comprises of three executive Directors, namely, Mr. Lei Hong Wai, Mr. Cheung Kwok Wai, Elton 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.*