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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

PROPOSED SHARE PREMIUM CANCELLATION

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The Board intends to put forward to the Shareholders for their approval of a proposal that the entire amount of HK\$482,493,000 standing to the credit of the share premium account of the Company as at 31 December 2010 be cancelled and such credit amount arising from the Proposed Share Premium Cancellation be transferred to the contributed surplus account of the Company where it will be utilised by the Board in accordance with the bye-laws of the Company and all applicable laws, including the Elimination of Accumulated Losses.

GENERAL

The Proposed Share Premium Cancellation is conditional upon, inter alia, the Shareholders passing the necessary special resolution to approve the Proposed Share Premium Cancellation, including the Elimination of Accumulated Losses, at the SGM. As none of the Shareholders is interested in the Proposed Share Premium Cancellation, no Shareholder is required to abstain from voting on the resolution to approve the Proposed Share Premium Cancellation.

A circular containing, inter alia, further information on the Proposed Share Premium Cancellation and a notice to convene the SGM will be issued by the Company and despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Shareholders and potential investors should be aware of and take note that the Proposed Share Premium Cancellation is conditional upon satisfaction of the conditions precedent set out in the paragraph headed “Conditions of the Proposed Share Premium Cancellation” in this announcement, and therefore may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED SHARE PREMIUM CANCELLATION

The Board intends to put forward to the Shareholders for their approval of a proposal that the entire amount of HK\$482,493,000 standing to the credit of the share premium account of the Company as at 31 December 2010 be cancelled and such credit amount arising from the Proposed Share Premium Cancellation be transferred to the contributed surplus account of the Company where it will be utilised by the Board in accordance with the bye-laws of the Company and all applicable laws, including to eliminate the accumulated losses of the Company of HK\$491,790,000 as at 31 December 2010 entirely (the “**Elimination of Accumulated Losses**”).

Conditions of the Proposed Share Premium Cancellation

The Proposed Share Premium Cancellation is conditional upon:

- (a) the passing of the necessary special resolution by the Shareholders at the SGM to approve the Proposed Share Premium Cancellation; and
- (b) compliance with relevant procedures and requirements under the Listing Rules, applicable laws and regulations, in particular, the requirements under section 46 of the Companies Act to effect the Proposed Share Premium Cancellation.

The Proposed Share Premium Cancellation will become effective on the next Business Day immediately following the fulfillment of the above conditions.

Effect of the Proposed Share Premium Cancellation

As shown in the audited financial statements of the Company for the year ended 31 December 2010, the amounts standing to the credit of the share premium account and the contributed surplus account of the Company as at 31 December 2010 were HK\$482,493,000 and HK\$618,312,000 respectively. The amount standing to the debit of the accumulated losses of the Company as at 31 December 2010 was HK\$491,790,000.

Upon the Proposed Share Premium Cancellation and the Elimination of Accumulated Losses becoming effective:

- (a) the amount standing to the credit of the share premium account of the Company will be decreased from HK\$482,493,000 to HK\$nil;
- (b) the amount standing to the credit of the contribution surplus account of the Company will be decreased from HK\$618,312,000 to HK\$609,015,000; and
- (c) the amount standing to the debit of the accumulated losses of the Company will be decreased from HK\$491,790,000 to HK\$nil.

“Business Day”	a day on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)
“Company”	Eternity Investment Limited, a company incorporated in Bermuda with limited liability, the Shares are listed in the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Share Premium Cancellation”	the proposed cancellation of the entire amount standing to the credit of the share premium account of the Company as at 31 December 2010 and such credit amount arising from the share premium account of the Company be transferred to the contributed surplus account of the Company where it will be utilised by the Board in accordance with the bye-laws of the Company and all applicable laws, including the Elimination of Accumulated Losses
“SGM”	a special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Proposed Share Premium Cancellation by the Shareholders
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 14 November 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; one non-executive Director, namely, Mr. Cheung Kwok Fan; and three independent non-executive Directors, namely, Mr. Wan Shing Chi, Mr. Ng Heung Yan and Mr. Wong Tak Chuen.