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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



KINGSTON SECURITIES LTD.

On 14 January 2013 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 47,000,000 Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are third parties independent of and not connected or acting in concert with any directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates at a price of HK\$0.645 per Placing Share.

The Placing Price of HK\$0.645 per Placing Share represents (a) a discount of approximately 19.38% to the closing price of HK\$0.80 per Share as quoted on the Stock Exchange on the date of this announcement; and (b) a premium of approximately 5.74% over the average closing price of approximately HK\$0.61 per Share in the last five consecutive trading days immediately prior to the date of this announcement.

The net price for each Placing Share will be approximately HK\$0.637.

The 47,000,000 Placing Shares represent (a) approximately 18.26% of the existing issued share capital of the Company of 257,448,829 Shares as at the date of this announcement; and (b) approximately 15.44% of the issued share capital of the Company of 304,448,829 Shares as enlarged by the allotment and issue of the 47,000,000 Placing Shares.

Completion of the Placing is subject to the conditions as listed in the section headed “Conditions of the Placing” in this announcement. Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

On the basis that all of the 47,000,000 Placing Shares are placed in full, the gross proceeds from the Placing will be amounted to approximately HK\$30.32 million and the net proceeds from the Placing will be amounted to approximately HK\$29.92 million which is intended to be used for property investment in Hong Kong in order to enrich the Group’s investment properties portfolio.

Shareholders and potential investors should note that the Placing is subject to the satisfaction of the conditions precedent as set out in the section headed “Conditions of the Placing” and the Placing Agent not having terminated the Placing Agreement in accordance with the terms thereunder. Accordingly, the Placing may or may not proceed.

Shareholders and potential investors are advised to exercise extreme caution when dealings in the Shares.

On 14 January 2013 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 47,000,000 Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are third parties independent of and not connected or acting in concert with any directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates at a price of HK\$0.645 per Placing Share.

THE PLACING AGREEMENT

Date: 14 January 2013

Parties: The Company and the Placing Agent

Placing Agent

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with any directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates. As at the date of this announcement, the Placing Agent is interested in 1 Share.

Placees

The Placing Shares will be placed to not fewer than six Placees which are independent professional, institutional or other investors, and who and whose ultimate beneficial owners are third parties independent of and not connected or acting in concert with any directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates.

It is expected that none of the individual Placees will become a substantial shareholder of the Company immediately after the Placing. If any of the Placees becomes a new substantial shareholder of the Company after the Placing, further announcement will be made by the Company.

Placing Price

The Placing Price of HK\$0.645 per Placing Share represents:

- (a) a discount of approximately 19.38% to the closing price of HK\$0.80 per Share as quoted on the Stock Exchange on the date of this announcement; and
- (b) a premium of approximately 5.74% over the average closing price of approximately HK\$0.61 per Share in the last five consecutive trading days immediately prior to the date of this announcement.

The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to, among other things, (a) the recent trading price of the Shares; and (b) the performance of the Shares and the attractiveness to the potential investors. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are on normal commercial terms and are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

The net price for each Placing Share will be approximately HK\$0.637.

Number of the Placing Shares

Pursuant to the Placing Agreement, up to 47,000,000 Placing Shares will be placed by the Placing Agent. The Placing Shares represent (a) approximately 18.26% of the existing issued share capital of the Company of 257,448,829 Shares as at the date of this announcement; and (b) approximately 15.44% of the issued share capital of the Company of 304,448,829 Shares as enlarged by the allotment and issue of the 47,000,000 Placing Shares.

The aggregate nominal value of the Placing Shares will be HK\$470,000.

Ranking of the Placing Shares

The Placing Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

General mandate to issue the Placing Shares

The Placing Shares will be issued under the general mandate (the “**General Mandate**”) granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 31 May 2012, subject to the limit up to 20% of the then issued share capital of the Company as at the date of the annual general meeting. Under the General Mandate, the Directors are authorised to allot and issue 47,605,765 Shares. Up to the date of this announcement, no new Shares have been issued under the General Mandate and the Directors are allowed to allot and issue up to 47,605,765 new Shares.

Accordingly, the allotment and issue of the Placing Shares is not subject to Shareholders’ approval.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment and/or despatch of certificates for the Placing Shares) the listing of, and permission to deal in the Placing Shares; and
- (b) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms thereunder, including provision regarding force majeure event.

Application for Listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Termination of the Placing

The Placing Agreement may be terminated by the Placing Agent if at any time at or before 9:00 a.m. on the date of completion of the Placing, there occurs:

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Placing Shares to potential investors or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investors) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Placing

Completion of the Placing, in any event, will take place within four business day after the fulfillment of the conditions as set out above or such other later date to be agreed between the Company and the Placing Agent.

If the above conditions are not satisfied and/or waived in whole or in part by the Placing Agent prior to 5:00 p.m. on or before 14 March 2013 (the “**Long Stop Date**”) or such later date to be agreed between the Company and the Placing Agent, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties to the Placing Agreement will forthwith cease and determine and no party will have any claim against the others, save for any antecedent breaches of the Placing Agreement.

REASONS FOR AND BENEFIT OF THE PLACING AND USE OF PROCEEDS

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, provision of management services to the concierge department of a gaming promoter, property investment and money lending.

The Directors consider that the Placing presents an opportunity for the Company to raise additional funds while broadening the shareholder and capital base of the Company. In view of the above, the Directors consider that the terms of the Placing are on normal commercial basis, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

On the basis that all of the 47,000,000 Placing Shares are placed in full, the gross proceeds from the Placing will be amounted to approximately HK\$30.32 million and the net proceeds from the Placing will be amounted to approximately HK\$29.92 million which is intended to be used for property investment in Hong Kong in order to enrich the Group's investment properties portfolio.

EFFECT ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming all of the 47,000,000 Placing Shares are placed in full) is set out below:

	As at the date of this announcement		Upon completion of the Placing (assuming all of the 47,000,000 Placing Shares are placed in full)	
	No. of Shares	Approx. %	No. of Shares	Approx. %
Twin Success International Limited (Note 1)	70,472,000	27.37	70,472,000	23.15
Mr. Chan Kin Wah, Billy (Note 2)	1,633,000	0.63	1,633,000	0.54
Ms. Au Tsui Yee Maggie	18,525,000	7.20	18,525,000	6.08
Existing public Shareholders (Note 3)	166,818,828	64.80	166,818,828	54.79
The Placing Agent	1	0.00	1	0.00
The Placees	—	—	47,000,000	15.44
Total	257,448,829	100.00	304,448,829	100.00

Notes:

- These Shares are beneficially owned by Twin Success International Limited. Twin Success International Limited is owned as to 50% by Silver Pacific International Limited and as to 50% by Silver Pacific Development Limited. Silver Pacific International Limited is wholly owned by Mr. Lei Hong Wai, the Chairman of the Board and an executive Director. Silver Pacific Development Limited is owned as to 50% by Mr. Cheung Kwok Wai, Elton, an executive Director, and as to 50% by Mr. Cheung Kwok Fan, the non-executive Director.
- Mr. Chan Kin Wah, Billy is an executive Director.
- Some Placees may be the existing public Shareholders (holding less than 5% of the existing issued share capital of the Company as at the date of this announcement). The existing holdings of such Placees, if any, are included under "Existing public Shareholders".

EQUITY FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

Set out below is the fund raising activity conducted by the Company:

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
5 April 2012	Placing of 39,670,000 new Shares	HK\$12.27 million	Financing possible property investment project or high-yield convertible notes	The proceeds have been used for financing the acquisition of investment properties in August 2012

Save as disclosed above no other fund raising activities conducted by the Company in the past twelve months prior to the date of this announcement

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Placing is subject to the satisfaction of the conditions precedent as set out in the section headed “Conditions of the Placing” and the Placing Agent not having terminated the Placing Agreement in accordance with the terms thereunder. Accordingly, the Placing may or may not proceed.

Shareholders and potential investors are advised to exercise extreme caution when dealings in the Shares.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein.

“acting in concert”	has the meaning ascribed to it in The Hong Kong Code on Takeovers and Mergers
“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors

“Company”	Eternity Investment Limited, a company incorporated in Bermuda with limited liability and the issued Shares are listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any independent professional, institutional or other investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 47,000,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 14 January 2013 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.645 per Placing Share
“Placing Shares”	up to 47,000,000 new Shares to be placed pursuant to the terms of the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

“%”

per cent.

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

Hong Kong, 14 January 2013

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.