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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

**OPEN OFFER OF NOT LESS THAN 152,224,414 OFFER SHARES AND
NOT MORE THAN 152,432,572 OFFER SHARES
ON THE BASIS OF ONE OFFER SHARE FOR TWO EXISTING SHARES
HELD ON THE RECORD DATE**

Underwriter



KINGSTON SECURITIES LTD.

THE OPEN OFFER

The Company proposes to raise not less than approximately HK\$182.67 million and not more than approximately HK\$182.92 million before expenses by issuing not less than 152,224,414 Offer Shares and not more than 152,432,572 Offer Shares at the Subscription Price per Offer Share on the basis of one Offer Share for every two existing Shares held on the Record Date and payable in full upon application. Qualifying Shareholders are not entitled to apply for excess Offer Shares and any such Offer Shares not taken up by the Qualifying Shareholders in excess of their respective entitlements under the Open Offer will be underwritten by the Underwriter. The Open Offer is only available to the Qualifying Shareholders and will not be extended to the Prohibited Shareholders.

Assuming no further issue of new Shares or repurchase of Shares on or before the Record Date, the 152,224,414 Offer Shares proposed to be allotted and issued, representing 50% of the Company's issued share capital as at the date of this announcement and approximately 33.33% of the Company's issued share capital as enlarged by the issue of the 152,224,414 Offer Shares immediately after completion of the Open Offer.

Assuming all outstanding Options are exercised in full on or before the Record Date, the maximum number of 152,432,572 Offer Shares proposed to be allotted and issued, representing 50% of the Company's issued share capital as at the date of this announcement and approximately 33.33% of the Company's issued share capital as enlarged by the issue of the 152,432,572 Offer Shares immediately after completion of the Open Offer.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, all transfers of Shares must be lodged for registration with the Registrar by 4:30 p.m. on Thursday, 28 March 2013.

The register of members of the Company will be closed from Tuesday, 2 April 2013 to Friday, 5 April 2013, both days inclusive, to determine the eligibility of the Open Offer.

The Record Date is Friday, 5 April 2013. The last day of dealings in the Shares on cum-entitlement basis of the Open Offer is Tuesday, 26 March 2013. The Shares will be dealt in on ex-entitlement basis of the Open Offer from Wednesday, 27 March 2013. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company on the Record Date and not being a Prohibited Shareholder.

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the twelve-month period immediately preceding this announcement, the Open Offer is not subject to Shareholders' approval under the Listing Rules. The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders and the Prospectus (without the Application Form) will be despatched to the Prohibited Shareholders for their information only on Monday, 8 April 2013.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.

Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

THE OPEN OFFER

The Company proposes to raise not less than approximately HK\$182.67 million and not more than approximately HK\$182.92 million before expenses by way of open offer and details are set out as follows:

Issue statistics

Basis of the Open Offer:	One (1) Offer Share for every two (2) existing Shares held on the Record Date
Subscription Price:	HK\$1.20 per Offer Share
Number of Shares in issue as at the date of this announcement:	304,448,829 Shares
Number of outstanding Options:	416,315 Options entitling the holders thereof to subscribe for 416,315 Shares under the Share Option Scheme
Number of Offer Shares:	Not less than 152,224,414 Offer Shares and not more than 152,432,572 Offer Shares
Number of Offer Shares to be taken up or procure to be taken up by Twin Success pursuant to the Underwriting Agreement:	Twin Success has irrevocably undertaken in favour of the Company and the Underwriter to subscribe for or procure the subscription for the 35,236,000 Offer Shares to be allotted to it under its entitlement pursuant to the Open Offer
Number of Offer Shares underwritten by the Underwriter:	Not less than 116,988,414 Offer Shares and not more than 117,196,572 Offer Shares. Accordingly, the Open Offer is fully underwritten
Number of enlarged Shares in issue upon completion of the Open Offer:	Not less than 456,673,243 Shares and not more than 457,297,716 Shares

As at the date of this announcement, the Company has 416,315 outstanding Options entitling the holders thereof to subscribe for 416,315 Shares. Save for the Options, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the date of this announcement.

Assuming no further issue of new Shares or repurchase of Shares on or before the Record Date, the 152,224,414 Offer Shares proposed to be allotted and issued, representing 50% of the Company's issued share capital as at the date of this announcement and approximately 33.33% of the Company's issued share capital as enlarged by the issue of the 152,224,414 Offer Shares immediately after completion of the Open Offer.

Assuming all outstanding Options are exercised in full on or before the Record Date, the maximum number of 152,432,572 Offer Shares proposed to be allotted and issued, representing 50% of the Company's issued share capital as at the date of this announcement and approximately 33.33% of the Company's issued share capital as enlarged by the issue of the 152,432,572 Offer Shares immediately after completion of the Open Offer.

The aggregate nominal value of the Offer Shares will be not less than HK\$1,522,244.14 and not more than HK\$1,524,325.72.

Basis of entitlement

The basis of the entitlement shall be one (1) Offer Share for every two (2) existing Shares held on the Record Date, being not less than 152,224,414 Offer Shares and not more than 152,432,572 Offer Shares at the Subscription Price. Acceptance for all or any part of a Qualifying Shareholder's entitlement should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being accepted for.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (a) the Prospectus Documents to the Qualifying Shareholders; and (b) the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders.

To qualify for the Open Offer, the Shareholders must at the close of business on the Record Date (a) be registered on the register of members of the Company; and (b) not being the Prohibited Shareholders.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 28 March 2013.

Closure of register of members

The register of members of the Company will be closed from Tuesday, 2 April 2013 to Friday, 5 April 2013, both days inclusive. No transfer of Shares will be registered during this book closure period.

Subscription Price

The Subscription Price is HK\$1.20 per Offer Share, payable in full upon application.

The Subscription Price represents:

- (a) a discount of approximately 9.09% to the closing price of HK\$1.32 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 6.25% to the theoretical ex-entitlement price of HK\$1.28 based on the closing price of HK\$1.32 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c) a discount of approximately 7.41% to the average closing price of approximately HK\$1.296 per Share for the last five consecutive trading days immediately prior to the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to, among others, the prevailing market price of the Shares. The Directors consider that each Qualifying Shareholder will be entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date and the terms of the Open Offer, including the Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to share in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Offer Share will be approximately HK\$1.18.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders (if any). If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Offer Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Open Offer will not be available to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Prohibited Shareholders.

Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Open Offer, to be despatched to the Qualifying Shareholders on Monday, 8 April 2013. The Company will send copies of the Prospectus to the Overseas Shareholders for their information only, but no Application Form will be sent to them.

Status of the Offer Shares

The Offer Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares in their fully-paid form.

Share certificates and refund cheques for the Open Offer

Subject to the fulfillment of the conditions of the Open Offer, certificates for all fully-paid Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Friday, 26 April 2013. If the Open Offer is terminated, refund cheques will be despatched on or before Friday, 26 April 2013 by ordinary post at the respective Shareholders' own risk.

No application for excess Offer Shares

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

Fractions of the Offer Shares

Fractional entitlements to the Offer Shares will not be issued to the Qualifying Shareholders but will be aggregated and sold in the open market, if at premium, net of expenses can be obtained and the net proceeds, after deduction of related expenses arising from such sale, will be retained for the benefit of the Company.

Application for the Offer Shares

The Application Form in respect of the entitlement of the Offer Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Offer Shares as shown therein by completing such form and lodging the same with a remittance for the Offer Shares being taken up with the Registrar by the Latest Time for Acceptance.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Underwriting Agreement

Date:	13 March 2013
Underwriter:	Kingston Securities Limited
Number of Offer Shares to be underwritten:	Not less than 116,988,414 Offer Shares and not more than 117,196,572 Offer Shares. Accordingly, taking into account the Twin Success Undertaking, the Open Offer is fully underwritten.
Undertakings:	Twin Success Undertaking Twin Success has given an irrevocable undertaking in favour of the Company and the Underwriter to subscribe for 35,236,000 Offer Shares to which it is entitled under the Open Offer.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties. As at the date of the Underwriting Agreement, the Underwriter is interested in one (1) Share.

It is one of the conditions of the Underwriting Agreement that the Underwriter would enter into binding agreements with certain placees and/or sub-underwriters, which shall be Independent Third Parties, for placing and/or sub-underwriting the Offer Shares, such that none of the Underwriter together with its parties acting in concert nor any of the placees and/or sub-underwriters and their respective parties acting in concert shall in aggregate be interested in 10% or more of the issued share capital of the Company as enlarged by the Open Offer.

Underwriting Commission

The Company will pay the Underwriter an underwriting commission of 1.0% of the aggregate Subscription Price in respect of the maximum number of the underwritten Offer Shares. The Directors are of the view that the terms of the Underwriting Agreement, including the commission, are fair and reasonable.

The Board considers the terms of the Underwriting Agreement including the commission rate accord with the market practice and are fair and reasonable so far as the Company and the Shareholders are concerned.

Irrevocable undertakings given by Twin Success

As at the date of the Underwriting Agreement, Twin Success is interested in 70,472,000 Shares, representing approximately 23.15% of the total issued share capital of the Company. Twin Success irrevocably undertakes to the Company and to the Underwriter that:

- (1) not to dispose of, or agree to dispose of, any Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date;
- (2) to accept or procure the acceptance for the 35,236,000 Offer Shares to be allotted and issued to Twin Success under its entitlement pursuant to the Open Offer; and
- (3) to lodge the Application Form(s) in respect of the 35,236,000 Offer Shares referred to in paragraph (2) above accompanied by the appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company at any time prior to the Latest Time for Termination if there occurs:

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination (provided that for the purposes of the termination clause of the Underwriting Agreement, if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no tropical cyclone warning

signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (1) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; 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 hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or

- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of this announcement, or the Prospectus Documents or other announcements or circulars in connection with the Open Offer,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement above comes to the knowledge of the Underwriter; or
- (2) any specified event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

Upon the giving of notice in accordance with the above, the Underwriting Agreement shall terminate and the obligations of the parties shall forthwith cease and be null and void and none of the parties shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

Conditions of the Open Offer

The Open Offer is conditional upon:

- (1) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance not later than the Prospectus Posting Date;
- (2) the filing with the Registrar of Companies in Bermuda one copy of the Prospectus Documents duly signed by one Director (for and on behalf of all Directors) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Companies Act on or before the Prospectus Posting Date;

- (3) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;
- (4) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings;
- (5) if necessary, the Bermuda Monetary Authority granting consent to the issue of the Offer Shares by the Latest Time for Termination or such other time as the Underwriter may agree with the Company in writing;
- (6) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms;
- (7) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement;
- (8) compliance with and performance of all undertakings and obligations of Twin Success under the Twin Success Undertaking; and
- (9) the entering into of binding agreements by the Underwriter with certain placees and/or sub-underwriters, which shall be Independent Third Parties, for placing and/or sub-underwriting the Offer Shares, such that none of the Underwriter together with its parties acting in concert nor any of the placees and/or sub-underwriters and their respective parties acting in concert shall be interested in 10% or more of the issued share capital of the Company as enlarged by the Open Offer.

All of the above conditions are not waivable. If any of the conditions of the Open Offer is not satisfied in whole or in part by the Company by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and none of the parties shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

Expected timetable

The expected timetable for the Open Offer is set out below:

2013

Publication of the Open Offer announcement on the website of the Stock Exchange	Wednesday, 13 March
Last day of dealings in Shares on cum-entitlements basis of the Open Offer	Tuesday, 26 March
First day of dealings in Shares on ex-entitlements basis of the Open Offer	Wednesday, 27 March
Latest time for lodging transfers of Shares in order to qualify for the Open Offer	4:30 p.m. on Thursday, 28 March
Register of members closes (both days inclusive)	Tuesday, 2 April to Friday, 5 April
Record Date	Friday, 5 April
Register of members re-opens	Monday, 8 April
Despatch of the Prospectus Documents	Monday, 8 April
Latest Time for Acceptance	4:00 p.m. on Monday, 22 April
Latest Time for Termination by the Underwriter	4:00 p.m. on Thursday, 25 April
Announcement of the results of the Open Offer.	Thursday, 25 April
Despatch of share certificates for Offer Shares	Friday, 26 April
Despatch of refund cheques if the Open Offer is terminated	Friday, 26 April
Expected first day of dealings in fully-paid Offer Shares on the Stock Exchange.	9:00 a.m. on Monday, 29 April

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

Shareholding structure of the Company

Set out below is the shareholding structure of the Company before and after the completion of the Open Offer:

	As at the date of this announcement		Immediately after completion of the Open Offer (assuming all Qualifying Shareholders take up its entitlements under the Open Offer) and assuming none of the holders of the Options exercise their subscription right attached to their Options on or before the Record Date		Immediately after completion of the Open Offer (assuming no Qualifying Shareholders (other than Twin Success) take up its entitlements under the Open Offer) and assuming none of the holders of the Options exercise their subscription right attached to their Options on or before the Record Date (Note 4)		Immediately after completion of the Open Offer (assuming all Qualifying Shareholders take up its entitlements under the Open Offer) and assuming all the holders of the Options exercise their subscription right attached to their Options on or before the Record Date		Immediately after completion of the Open Offer (assuming no Qualifying Shareholders (other than Twin Success) take up its entitlements under the Open Offer) and assuming all the holders of the Options exercise their subscription right attached to their Options on or before the Record Date (Note 4)	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Twin Success (Notes 1 and 3)	70,472,000	23.15	105,708,000	23.15	105,708,000	23.15	105,708,000	23.12	105,708,000	23.12
Chan Kin Wah, Billy (Notes 2 and 3)	1,633,000	0.54	2,449,500	0.54	1,633,000	0.36	2,453,023	0.53	1,635,349	0.36
Public										
Existing public Shareholders	232,343,828	76.31	348,515,742	76.31	232,343,828	50.87	348,515,743	76.21	232,343,828	50.80
The Underwriter	1	0.00	1	0.00	116,988,415	25.62	1	0.00	117,196,573	25.63
Holders of the Options (Note 3)	—	—	—	—	—	—	620,949	0.14	413,966	0.09
Sub-total	232,343,829	76.31	348,515,743	76.31	349,332,243	76.49	349,136,693	76.35	349,954,367	76.52
Total	304,448,829	100.00	456,673,243	100.00	456,673,243	100.00	457,297,716	100.00	457,297,716	100.00

Notes:

1. These shares are beneficially owned by Twin Success. Twin Success 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 executive Director. Silver Pacific Development Limited is owned as to 50% by Mr. Cheung Kwok Wai, Elton, the executive Director, and as to 50% by Mr. Cheung Kwok Fan, the non-executive Director.
2. Mr. Chan Kin Wah, Billy, an executive Director.
3. As at the date of this announcement, the Company had 416,315 outstanding Options entitling the holders thereof to subscribe for 416,315 new Shares under the Share Option Scheme. Of the total 416,315 outstanding Options, 933 Options were held by Mr. Lei Hong Wai, 2,349 Options were held by Mr. Chan Kin Wah, Billy and the remaining 413,033 Options were held by other participants of the Share Option Scheme.
4. Pursuant to the Underwriting Agreement, in the event of Underwriter being called upon to subscribe for or procure certain places and/or sub-underwriters to subscribe for any of the Offer Shares: Underwriter together with its parties acting in concert nor any of the places and/or sub-underwriters and their respective parties acting in concert shall be interested in 10% or more of the issued share capital of the Company as enlarged by the Open Offer.

Reasons for the Open Offer and use of proceeds

The Group is principally engaged in distribution of films, sub-licensing of film rights, sale of financial assets, provision of management services to the concierge department of a gaming promoter, property investment and money lending.

The gross proceeds from the Open Offer will not be less than approximately HK\$182.67 million and not more than approximately HK\$182.92 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be not less than HK\$180.02 million but not more than HK\$180.27 million and intended to be used for financing the expansion the loan portfolio of the Group's money lending business and the potential subscription of the convertible bonds to be issued by a company listed on the Growth Enterprise Market of the Stock Exchange.

The Directors consider that it is prudent to finance the expansion of the Group's money lending business and the potential subscription of the convertible bonds by equity financing as it will not increase the Group's finance costs and risk level. As such, the Directors consider that the Open Offer is in the interests of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so.

However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company would be diluted.

Fund raising exercises of the Company

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
14 January 2013	Placing of 47,000,000 new Shares	HK\$29.92 million	For property investment in Hong Kong	The net proceeds have not been utilitised. It will be used for property investment in Hong Kong
5 April 2012	Placing of 39,670,000 new Shares	HK\$12.27 million	Financing possible investment project or high-yield convertible notes	The proceeds have been used for financing the acquisition of investment properties in August 2012

Save as abovementioned, the Company had not conducted any other fund raising exercise in the past 12 months immediately preceding the date of this announcement.

Adjustments to Options

As at the date of this announcement, the Company had 416,315 outstanding Options entitling the holders thereof to subscribe for 416,315 Shares. Upon completion of the Open Offer, adjustments to the exercise prices and numbers of the outstanding Options may be required under the relevant terms of the instrument in relation to the Options or the Share Option Scheme. The auditors of the Company will be appointed to certify the necessary adjustments, if any, to the exercise prices and numbers of the outstanding Options. Further announcement will be made by the Company in this regard.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.

Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Wednesday, 27 March 2013 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on 4:00 p.m. on Thursday, 25 April 2013), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

GENERAL

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the twelve-month period immediately preceding this announcement, the Open Offer is not subject to Shareholders' approval under the Listing Rules. The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders and the Prospectus (without the Application Form) will be despatched to the Prohibited Shareholders for their information only on Monday, 8 April 2013.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Application Form”	the form of application to be used by the Qualifying Shareholders to apply for the Offer Shares in the agreed form
“Board”	the board of the Directors
“Business Day”	any day (excluding a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System, established and operated by HKSCC
“Company”	Eternity Investment Limited (stock code: 764), a company incorporated in Bermuda with limited liability and the issued Shares are listed on the Main Board

“Company Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected person(s) (as defined under the Listing Rules)
“Last Trading Day”	13 March 2013, the last day on which the Shares were traded on the Stock Exchange immediately preceding the publication of this announcement
“Latest Time for Acceptance”	the latest time for acceptance for the Offer Shares at 4:00 p.m., on Monday, 22 April 2013 or such other time as may be agreed between the Company and the Underwriter
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m., on Thursday, 25 April 2013, being the third Business Day after the Latest Time for Acceptance
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange
“Offer Shares”	not less than 152,224,414 and not more than 152,432,572 new Shares to be issued pursuant to the Open Offer

“Open Offer”	the proposed issue of the Offer Shares at the Subscription Price on the basis of one (1) Offer Share for every two (2) Shares held on the Record Date
“Options”	the share options granted under the Share Option Scheme
“Overseas Letter”	a letter from the Company to the Prohibited Shareholders explaining the circumstances in which the Prohibited Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholders”	Shareholder(s) with registered address(s) (as shown in the register of members of the Company on the Record Date) are outside Hong Kong
“Prohibited Shareholders”	the Oversea Shareholder(s) whose address is/are in a place(s) outside Hong Kong where, the Directors, based on legal opinions provided by legal advisers of the Company, consider it is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to such Shareholders
“Prospectus”	the document containing details of the Open Offer to be despatched to the Shareholders
“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	Monday, 8 April 2013 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders (or the Prospectus only in case of Prohibited Shareholder(s))
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Prohibited Shareholders
“Record Date”	Friday, 5 April 2013, or such other date as may be agreed between the Company and the Underwriter for determining entitlements to the Open Offer
“Registrar”	Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, the Hong Kong branch share register and transfer office of the Company

“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 issued Shares
“Share Option Scheme”	the share option scheme of the Company adopted on 21 January 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$1.20 per Offer Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Twin Success”	Twin Success International Limited, a company incorporated in the British Virgin Islands with limited liability, is a substantial shareholders (as defined under the Listing Rules) of the Company
“Twin Success Undertaking”	the irrevocable undertaking given by Twin Success under the Underwriting Agreement to take up in full its entitlements under the Open Offer to subscribe for 35,236,000 Offer Shares
“Underwriter”	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)
“Underwriting Agreement”	the underwriting agreement dated 13 March 2013 in relation to the Open Offer entered into between the Company and the Underwriter
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, 13 March 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.