
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Eternity Investment Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

- (1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
(3) REFRESHMENT OF SHARE OPTION SCHEME MANDATE LIMIT;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held at Jasmine Room, 3rd Floor, Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong on Friday, 3 June 2011 at 2:30 p.m. is set out on pages 19 to 23 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong branch share registrar, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

3 May 2011

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held on Friday, 3 June 2011 at 2:30 p.m. to consider and, if thought fit, to approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate, the proposed re-election of Directors and the Refreshment of Scheme Mandate Limit
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“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
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Directors”	the directors of the Company
“Eligible Participant(s)”	means <ul style="list-style-type: none">(i) (a) any director or proposed director (whether executive or non-executive, including any independent non-executive director), employee or proposed employee (whether fulltime or part time) of, or(b) any individual for the time being seconded to work for, any member of the Group or any controlling Shareholder or any company controlled by a controlling Shareholder; or

DEFINITIONS

- (ii) any holder of any securities issued by any member of the Group or any controlling Shareholder or any company controlled by a controlling Shareholder; or
- (iii) (a) any business or joint venture partner, contractor, agent or representative of,
 - (b) any person or entity that provides research, development, or other technological support or any advisory, consultancy, professional or other services to,
 - (c) any supplier, producer or licensor of films, television programmes, video features, goods or services to,
 - (d) any customer, licensee (including any sub-licensee) or distributor of films, television programmes, video features, goods or services of, or
 - (e) any landlord or tenant (including any sub-tenant) of,

any member of the Group or any controlling Shareholder or any company controlled by a controlling Shareholder;

and, for the purposes of the Share Option Scheme, shall include any company controlled by one or more persons belonging to any of the above classes of participants

“General Mandate” the general mandate proposed to be granted to the Directors at the AGM to allot and issue new Shares not exceeding 20% of the issued share capital of the Company as at the date of granting of the General Mandate

“Group” the Company and its subsidiaries

“Hong Kong” the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	28 April 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Options”	the options granted under the Share Option Scheme to subscribe for Shares in accordance with the Share Option Scheme
“Refreshment of Scheme Mandate Limit”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme
“Repurchase Mandate”	the general mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company as at the date of granting of the Repurchase Mandate
“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all Options which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	the share option scheme adopted by the Company on 21 January 2002
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

Executive Directors:

Mr. Lei Hong Wai (*Chairman*)

Mr. Cheung Kwok Wai, Elton

Mr. Chan Kin Wah, Billy

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors:

Mr. Tang Chak Lam, Gilbert

Mr. Hung Hing Man

Mr. Wan Shing Chi

*Head office and principal place
of business in Hong Kong:*

Unit 3811, Shun Tak Centre

West Tower

168-200 Connaught Road Central

Hong Kong

3 May 2011

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
(3) REFRESHMENT OF SHARE OPTION SCHEME MANDATE LIMIT;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the AGM, resolutions will be proposed to seek the Shareholders' approval for, among other things, (i) the granting of the General Mandate and the Repurchase Mandate to the Directors; (ii) the re-election of Directors; and (iii) the Refreshment of Scheme Mandate Limit.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for the proposed grant of the General Mandate and the Repurchase Mandate, the proposed re-election of Directors, the Refreshment of Scheme Mandate Limit and to give you the notice of the AGM.

GENERAL MANDATE AND REPURCHASE MANDATE

At the AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the General Mandate and the Repurchase Mandate.

General Mandate

At the AGM, an ordinary resolution will be proposed such that the Directors be given an unconditional general mandate (i.e. the General Mandate) to allot, issue and deal with unissued Shares or underlying Shares (other than by way of rights or pursuant to a share option scheme for employees of the Company or Directors and/or any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Bye-laws) or make or grant offers, agreements, options and warrants which might require the exercise of such power, of an aggregate amount of up to 20% of the issued Shares as at the date of granting of the General Mandate.

In addition, a separate ordinary resolution will further be proposed for extending the General Mandate authorising the Directors to allot, issue and deal with Shares to the extent of the Shares repurchased pursuant to the Repurchase Mandate. Details on the Repurchase Mandate are further elaborated below.

As at the Latest Practicable Date, the Company has an aggregate of 1,102,112,196 Shares in issue. Subject to the passing of the resolution for the approval of the General Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal with a maximum of 220,422,439 Shares.

Repurchase Mandate

At the AGM, an ordinary resolution will also be proposed such that the Directors be given an unconditional general mandate to repurchase Shares (i.e. the Repurchase Mandate) on the Stock Exchange of an aggregate amount of up to 10% of the issued Share as at the date of granting of the Repurchase Mandate.

LETTER FROM THE BOARD

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 110,211,219 Shares.

The General Mandate (including the extended General Mandate) and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the General Mandate (including the extended General Mandate) and the Repurchase Mandate up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 of Bermuda (as amended) or any other applicable law of Bermuda to be held; or (iii) the revocation or variation of the General Mandate (including the extended General Mandate) or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

RE-ELECTION OF DIRECTORS

Mr. Cheung Kwok Wai, Elton, having been appointed as executive Director since the date of the last annual general meeting, retires at the AGM in accordance with Bye-law 86(2) of the Bye-laws and, being eligible, offers himself for re-election.

In accordance with Bye-law 87 of the Bye-laws, Mr. Tang Chak Lam, Gilbert retires from the Board by rotation at the AGM and, being eligible, offers himself for re-election.

At the AGM, ordinary resolutions will be proposed to re-elect Mr. Cheung Kwok Wai, Elton as executive Director and Mr. Tang Chak Lam, Gilbert as independent non-executive Director.

Particulars relating to Mr. Cheung Kwok Wai, Elton and Mr. Tang Chak Lam, Gilbert are set out in Appendix II to this circular.

LETTER FROM THE BOARD

REFRESHMENT OF SCHEME MANDATE LIMIT

Pursuant to a resolution passed at the special general meeting of the Company held on 21 January 2002, the Share Option Scheme was adopted and the old share option scheme was terminated.

The purpose of the Share Option Scheme is to provide incentives and rewards to Eligible Participants for their contribution or potential contributions to the Group. The exercise price of an Option must be the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Shares.

Apart from the Share Option Scheme, the Company has no other share option scheme in place.

Pursuant to the Share Option Scheme, the total number of Shares which may be issued upon exercise of all Options to be granted by the Company under the Share Option Scheme and any other options to be granted by the Company must not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and as at the date of approving the refreshment of the Scheme Mandate Limit. Options lapsed in accordance with the terms of the Share Option Scheme shall not be counted for the purpose of calculating the Scheme Mandate Limit. The Scheme Mandate Limit may be refreshed by Shareholders in general meeting from time to time.

At the annual general meeting of the Company held on 29 June 2010, the Company refreshed the Scheme Mandate Limit, which allows the Company to grant 22,960,804 Options.

During the period from 29 June 2010 to the Latest Practicable Date, no Option was granted, 8,364,337 Options were lapsed, no Option was exercised and no Option was cancelled. As at the Latest Practicable Date, there were 15,077,213 Options, which were granted under the previously refreshed Scheme Mandate Limit, outstanding and unexercised under the Share Option Scheme to which holders were entitled to subscribe for 15,077,213 Shares, representing approximately 1.37% of the issued share capital of the Company.

LETTER FROM THE BOARD

The following table discloses movements of the Options during the period from 29 June 2010 to the Latest Practicable Date.

Option type	Outstanding at 29 June 2010	Granted during the period	Exercised during the period	Lapsed during the period	Adjusted for rights issue (note)	Outstanding at the Latest Practicable Date
2002	182,185	—	—	—	19,755	201,940
2004	264,360	—	—	—	28,666	293,026
2007A	144,980	—	—	—	15,721	160,701
2007B	758,743	—	—	—	82,273	841,016
2009A	3,720,000	—	—	(3,720,000)	—	—
2009B	4,190,000	—	—	(4,644,337)	454,337	—
2010	12,252,000	—	—	—	1,328,530	13,580,530
	<u>21,512,268</u>	<u>—</u>	<u>—</u>	<u>(8,364,337)</u>	<u>1,929,282</u>	<u>15,077,213</u>

Exercisable at the Latest
Practicable Date

15,077,213

Note:

The number of Options are adjusted for the rights issue as completed on 29 September 2010.

Details of specific categories of the Options are as follows:

Option type	Date of grant	Exercise period	Exercise price
2002	8 March 2002	8 March 2002 to 7 March 2012	HK\$244.66*
2004	13 December 2004	13 December 2004 to 12 December 2014	HK\$182.54*
2007A	22 March 2007	22 March 2007 to 21 March 2017	HK\$44.25*
2007B	31 May 2007	31 May 2007 to 30 May 2017	HK\$65.87*
2009A	28 July 2009	28 July 2009 to 27 July 2010	HK\$0.64
2009B	30 October 2009	30 October 2009 to 29 October 2010	HK\$0.54*
2010	13 May 2010	13 May 2010 to 12 May 2011	HK\$0.60*

* The exercise prices of Options are adjusted for the rights issue as completed on 29 September 2010.

LETTER FROM THE BOARD

Unless the Scheme Mandate Limit is refreshed at the AGM, 22,960,804 Options may be granted under the Share Option Scheme. The Directors consider that it is in the interest of the Company to refresh the Scheme Mandate Limit in accordance with the Share Option Scheme so that the Company has greater flexibility to provide incentives and rewards to the Eligible Participants for their contribution or potential contribution to the Group.

As at the Latest Practicable Date, there were 1,102,112,196 Shares in issue. The Company has complied with Rule 17.03(4) of the Listing Rules for the aforesaid Options granted. Assuming no further Shares are issued and repurchased by the Company and no further Options are granted by the Company prior to the AGM, upon the granting of the Refreshment of Scheme Mandate Limit by the Shareholders at the AGM, the Scheme Mandate Limit (as refreshed) will allow the Company to grant Options entitling the holders thereof to subscribe for Shares not exceeding 10% of the issued share capital of the Company as at the date of approving the Refreshment of Scheme Mandate Limit which are 110,211,219 Shares.

The limit on the number of Shares which may be allotted and issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Company must not exceed 30% of the Shares in issue from time to time. As at the Latest Practicable Date, such number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme does not exceed 30% of the Shares in issue.

The Refreshment of Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution to approve the Refreshment of Scheme Mandate Limit at the AGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue as at the date of passing the resolution of the Refreshment of Scheme Mandate Limit at the AGM) which may fall to be issued upon the exercise of the Options to be granted under the Share Option Scheme and any other share option schemes of the Company.

Application will be made to the Stock Exchange for the listing of, and permission to deal in the Shares, representing 10% of the Shares in issue at the AGM, which may fall to be issued upon the exercise of the Options that may be granted under the refreshed Scheme Mandate Limit.

LETTER FROM THE BOARD

AGM

A notice convening the AGM to be held at Jasmine Room, 3rd Floor, Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong on Friday, 3 June 2011 at 2:30 p.m. is set out on pages 19 to 23 of this circular. Ordinary resolutions will be proposed at the AGM to approve, among other things, the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate, the proposed re-election of Directors and the Refreshment of Scheme Mandate Limit.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published at the website of the Stock Exchange at www.hkex.com.hk. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong branch share registrar, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

All the resolutions proposed to be approved at the AGM will be taken by poll and an announcement will be made by the Company after the AGM on the results of the AGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries the information contained in this circular is accurate and complete in all material respect and not misleading or deceptive, and there are no other facts the omission of which would make any statement herein misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate, the proposed re-election of Directors and the Refreshment of Scheme Mandate Limit are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of
Eternity Investment Limited
Lei Hong Wai
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. REPURCHASE OF SECURITIES FROM CONNECTED PERSON

The Listing Rules prohibit the Company from knowingly purchasing its securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates and a connected person is prohibited from knowingly selling to the Company his/her/its securities of the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,102,112,196 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 110,211,219 fully paid Shares, representing approximately 10% of the issued share capital of the Company as at the date of passing of the resolution.

3. REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

Repurchases would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available under Bermuda law and the memorandum of association of the Company and the Bye-laws and for such purpose.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with those as at 31 December 2010, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months immediately prior to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2010		
April	0.548	0.433
May	0.490	0.440
June	0.498	0.448
July	0.485	0.416
August	0.435	0.370
September	0.425	0.310
October	0.325	0.203
November	0.235	0.202
December	0.217	0.181
2011		
January	0.205	0.182
February	0.195	0.144
March	0.206	0.140
April (Up to the Latest Practicable Date)	0.198	0.160

6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares if the Repurchase Mandate is approved at the AGM.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of Bermuda.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholder is interested in more than 10% of the Shares then in issue:

Shareholder	Number of Shares	Percentage holding
Mr. Lei Hong Wai	220,280,000	19.99%

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interest of the above Shareholder in the Shares would be increased to:

Shareholder	Percentage holding
Mr. Lei Hong Wai	22.21%

On the basis of the current shareholding of above Shareholder, an exercise of the Repurchase Mandate in full will not result in him becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of the above Shareholder, or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

7. SHARES REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months immediately prior to the Latest Practicable Date.

Details of the Directors who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

(1) Mr. Cheung Kwok Wai, Elton (“Mr. Cheung”)

Mr. Cheung, aged 45, is an executive Director. He has over 20 years of experience in the area of corporate finance and securities industries. He holds a Master Degree in Accounting and Finance of the University of Lancaster, England. Mr. Cheung joined the Group as general manager of a subsidiary of the Company in February 2010. He is responsible for overseeing daily operations of the Group. Mr. Cheung was an executive director of Brilliant Arts Multi-Media Holding Limited (now known as Zhi Cheng Holdings Limited), a company listed on Growth Enterprise Market of the Stock Exchange, during the period from 27 August 2008 to 24 June 2009.

Mr. Cheung does not have any relationship with any Directors, senior management or substantial Shareholders (as defined under the Listing Rules).

Save for Mr. Cheung Kwok Fan, the youngest brother of Mr. Cheung, being the beneficial owner of Through Diamond International Limited holding 106,000,000 Shares representing approximately 9.62% of the issued share capital of the Company, Mr. Cheung does not have any interest in Shares within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. Cheung. Mr. Cheung is not appointed for a specific term. He will be subject to retirement by rotation and re-election in accordance with the Bye-laws. He is entitled to an annual director’s fee of HK\$120,000 which is determined by the Remuneration Committee of the Company with reference to his duties and responsibilities in the Company.

Save as disclosed above, there is no information relating to Mr. Cheung to be disclosed pursuant to Rule 13.52(2) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

(2) Mr. Tang Chak Lam, Gilbert (“Mr. Tang”)

Mr. Tang, aged 60, is an independent non-executive Director, the chairman of the Audit Committee of the Company and a member of the Remuneration Committee and the Nomination Committee of the Company. He is a practicing solicitor in Hong Kong since 1987 and is a senior partner of Messrs. Gilbert Tang & Co.. He was a director of Pok Oi Hospital in 1993 and a Member of the Kowloon West Advisory Committee of Hong Kong Bank Foundation District Community Programme between July 1991 and November 1995. Mr. Tang holds a Bachelor of Law Degree from the University of Buckingham in the United Kingdom, and a Diploma in Chinese Law from the University of East Asia in Macau. Mr. Tang has acted as an independent non-executive Director since February 2002.

Mr. Tang does not hold any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years prior to the Latest Practicable Date.

Mr. Tang does not have any relationship with any Director, senior management or substantial Shareholders (as defined under the Listing Rules).

Mr. Tang does not have any interest in Shares within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. Tang. Mr. Tang is not appointed for a specific term. He will be subject to retirement by rotation and re-election in accordance with the Bye-laws. Mr. Tang is entitled to an annual director’s fee of HK\$120,000 which is determined by the Remuneration Committee of the Company with reference to his duties and responsibilities in the Company.

Save as disclosed above, there is no information relating to Mr. Tang to be disclosed pursuant to Rule 13.51(2) of the Listing rules and there is no other matter that needs to be brought to the attention of the Shareholders.

NOTICE OF AGM



ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of Eternity Investment Limited (the “**Company**”) will be held at Jasmine Room, 3rd Floor, Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong on Friday, 3 June 2011 at 2:30 p.m. to transact the following ordinary business:

1. To receive and consider the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2010.
2.
 - (a) To re-elect Mr. Cheung Kwok Wai, Elton as executive Director.
 - (b) To re-elect Mr. Tang Chak Lam, Gilbert as independent non-executive Director.
 - (c) To authorise the board of Directors to fix the Directors’ remuneration.
3. To re-appoint Messrs. HLB Hodgson Impey Cheng as the auditors of the Company and to authorise the board of Directors to fix their remuneration.

As special business, to consider and, if thought fit, to pass with or without modification the following resolutions as ordinary resolutions:

4. “**THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares of the Company (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (i) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
 - (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of resolution no. 6),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended) (the “**Companies Act**”) or any other applicable law of Bermuda to be held; or

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- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

5. “**THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act or any other applicable laws of Bermuda to be held; or

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- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
6. “**THAT** the Directors be and are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 above in respect of the share capital of the Company referred to in sub-paragraph (ii) of paragraph (c) of such resolution.”
7. “**THAT** subject to the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of options which may be granted under the Scheme Mandate Limit (as defined below) and pursuant to the share option scheme of the Company adopted on 21 January 2002 (the “**Share Option Scheme**”), approval be and is hereby generally and unconditionally granted for refreshing and renewing the Scheme Mandate Limit (as defined below) under the Share Option Scheme provided that (i) the total number of Shares which may be allotted and issued upon the exercise of the options to be granted under the Share Option Scheme and other share option schemes of the Company shall not exceed 10 per cent. of the total number of Shares in issue as at the date of passing of this resolution (the “**Scheme Mandate Limit**”); and (ii) the overall limit on the number of Shares which may be issued upon the exercise of all options to be granted and yet to be exercised under the Share Option Scheme and other share option schemes of the Company must not exceed 30 per cent. of the Shares in issue from time to time and that the Directors be and are hereby authorised, at their absolute discretion, to grant options under the Share Option Scheme up to the Scheme Mandate Limit and to exercise all the powers of the Company to allot, issue and deal with the shares of the Company pursuant to the exercise of such options.”

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

Hong Kong, 3 May 2011

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Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*

Unit 3811, Shun Tak Centre
West Tower
168-200 Connaught Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his/her/its behalf. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the Company's Hong Kong branch share registrar, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the annual general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he/she/it so wish.
3. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under the Listing Rules. The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued under the Share Option Scheme or any scrip dividend scheme which may be approved by the shareholders of the Company.
4. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to this circular.