
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(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

PROPOSED SHARE PREMIUM CANCELLATION AND NOTICE OF SPECIAL GENERAL MEETING

A notice convening a special general meeting of the Company to be held at Macau Jockey Club, 1/F Function Room, 1st Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Monday, 12 December 2011 at 3:00 p.m. is set out on pages 7 to 8 of this circular. A form of proxy for use at the special 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 special 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 later than 48 hours before the time appointed for the holding of the special 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 special general meeting or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

18 November 2011

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DEFINITIONS

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

“Accumulated Losses”	the audited accumulated losses of the Company of HK\$491,790,000 as at 31 December 2010
“Board”	the board of Directors
“Business Day”	a day on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)
“Company”	Eternity Investment Limited, a company incorporated in Bermuda with limited liability, the Shares are listed in the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Effective Date”	having the meaning ascribed thereto in the section headed “Conditions of the Proposed Share Premium Cancellation” in the Letter from the Board set out in this circular
“Elimination of Accumulated Losses”	having the meaning ascribed thereto in the section headed “Proposed Share Premium Cancellation” in the Letter from the Board set out in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Share Premium Cancellation”	the proposed cancellation of the entire amount standing to the credit of the share premium account of the Company as at 31 December 2010 and such credit amount arising from the share premium account of the Company be transferred to the contributed surplus account of the Company where it will be utilised by the Board in accordance with the bye-laws of the Company and all applicable laws, including the Elimination of Accumulated Losses

DEFINITIONS

“SGM”	a special general meeting of the Company to be convened and held at Macau Jockey Club, 1/F Function Room, 1st Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Monday, 12 December 2011 at 3:00 p.m. for the purpose of considering and, if thought fit, approving the Proposed Share Premium Cancellation by the Shareholders
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Non-executive Director:

Mr. Cheung Kwok Fan

Independent non-executive Directors:

Mr. Wan Shing Chi

Mr. Ng Heung Yan

Mr. Wong Tak Chuen

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

18 November 2011

To the Shareholders

Dear Sir or Madam,

PROPOSED SHARE PREMIUM CANCELLATION AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 14 November 2011 in relation to the Proposed Share Premium Cancellation. This circular provides you with further information relating to the Proposed Share Premium Cancellation and the notice of the SGM.

LETTER FROM THE BOARD

PROPOSED SHARE PREMIUM CANCELLATION

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

Conditions of the Proposed Share Premium Cancellation

The Proposed Share Premium Cancellation is conditional upon:

- (a) the passing of the necessary special resolution by the Shareholders at the SGM to approve the Proposed Share Premium Cancellation; and
- (b) compliance with the requirements under section 46(2) of the Companies Act to effect the Proposed Share Premium Cancellation including (i) publication of a notice of the Proposed Share Premium Cancellation in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the Effective Date (as defined below); and (ii) the Board being satisfied that on the Effective Date (as defined below), there are no reasonable grounds for believing the Company is, or after the Proposed Share Premium Cancellation would be, unable to pay its liabilities as they become due.

The Proposed Share Premium Cancellation will become effective on the next Business Day immediately following the fulfillment of the above conditions (the “**Effective Date**”).

Effect of the Proposed Share Premium Cancellation

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

LETTER FROM THE BOARD

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

- (a) the amount standing to the credit of the share premium account of the Company will be decreased from HK\$482,493,000 as at 31 December 2010 to HK\$nil;
- (b) the amount standing to the credit of the contribution surplus account of the Company will be decreased from HK\$618,312,000 as at 31 December 2010 to HK\$609,015,000; and
- (c) the amount standing to the debit of the accumulated losses of the Company will be decreased from HK\$491,790,000 as at 31 December 2010 to HK\$nil.

Other than the expenses incurred by the Company in relation to the Proposed Share Premium Cancellation, the Board considers that implementation of the Proposed Share Premium Cancellation will not, of itself, have any material adverse effect on the underlying assets, liabilities, business operations, a management or financial position of the Company or affect the proportionate interests or rights of the Shareholders.

Reasons for the Proposed Share Premium Cancellation

The Company is an investment holding company and its subsidiaries are principally engaged in sales of financial assets, property investment and the provision of management services to the concierge departments of gaming promoters.

As shown in the latest published audited financial statements of the Company for the year ended 31 December 2010, the Company had accumulated losses of HK\$491,790,000 as at 31 December 2010. The Proposed Share Premium Cancellation will allow the Company to declare dividends to the Shareholders at an earlier opportunity once the Accumulated Losses is eliminated. Hence, the Directors are of the view that the Proposed Share Premium Cancellation is beneficial to the Company and the Shareholders as a whole.

SGM

The Proposed Share Premium Cancellation is conditional upon, inter alia, the Shareholders passing the necessary special resolution to approve the Proposed Share Premium Cancellation, including the Elimination of Accumulated Losses, at the SGM.

At the SGM, the relevant resolution will be proposed for the Shareholders to consider and, if thought fit, approve by way of poll the Proposed Share Premium Cancellation, including the Elimination of Accumulated Losses. As none of the Shareholders is interested in the Proposed Share Premium Cancellation, no Shareholder is required to abstain from voting on the resolution to approve the Proposed Share Premium Cancellation at the SGM.

LETTER FROM THE BOARD

A notice convening the SGM to be held at Macau Jockey Club, 1/F Function Room, 1st Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Monday, 12 December 2011 at 3:00 p.m. is set out on pages 7 to 8 of this circular.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, 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 later than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

The resolution proposed to be approved at the SGM will be taken by poll and an announcement will be made by the Company after the SGM on the result of the SGM.

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, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

As the Proposed Share Premium Cancellation will allow the Company to declare dividends to the Shareholders at an earlier opportunity once the Accumulated Losses is eliminated, the Directors consider the Proposed Share Premium Cancellation is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the SGM.

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

NOTICE OF SPECIAL GENERAL MEETING



ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of Eternity Investment Limited (the “**Company**”) will be held at Macau Jockey Club, 1/F Function Room, 1st Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Monday, 12 December 2011 at 3:00 p.m. for the purposes of considering and, if thought fit, passing with or without modifications, the following resolution as a special resolution of the Company by way of poll:

SPECIAL RESOLUTION

1. “THAT:

- (a) conditional upon the compliance with section 46(2) of the Companies Act 1981 of Bermuda and with effect from the next business day following the passing of this resolution, the entire amount of HK\$482,493,000 standing to the credit of the share premium account of the Company as at 31 December 2010 be cancelled (the “**Share Premium Cancellation**”);
- (b) the credit arising as a result of the Share Premium Cancellation pursuant to paragraph (a) of this resolution above be transferred to the contributed surplus account of the Company and then applied to eliminate the entire balance standing to the debit of the accumulated losses of the Company of HK\$491,790,000 as at 31 December 2010 on a dollar for dollar basis and the directors of the Company (the “**Directors**”) be and are hereby authorised to apply such surplus in such manner as may be permitted by the bye-laws of the Company; and

NOTICE OF SPECIAL GENERAL MEETING

- (c) the Directors be and are hereby generally and unconditionally authorised to prepare and execute all documents and to do all things they consider necessary, expedient and appropriate to effect and implement any of the foregoing.”

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

Hong Kong, 18 November 2011

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 Meeting convened by the above notice is entitled to appoint one proxy or, if he/she/it is a holder of more than one share, more than one 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 but must be present in person at the Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at the Company's branch share registrar and transfer office in Hong Kong, 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 later than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the Meeting or any adjournment thereof, should he/she/it so wish and in such event, the form of proxy shall be deemed to be revoked.
3. In the case of joint holders of the shares, any one of such holders may vote at the Meeting, either personally or by proxy, in respect of such share(s) as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share(s) shall alone be entitled to vote in respect thereof.