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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

VERY SUBSTANTIAL ACQUISITION AND RESUMPTION OF TRADING

THE ACQUISITION

On 4 April 2011 (after trading hours of the Stock Exchange), the Purchaser and the Vendor entered into the Sale and Purchase Agreement pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares and procure Ascott Holdings to assign the Intermediate Holding Company Loans to the Purchaser at the Acquisition Price of HK\$283.00 million.

Completion is subject to fulfillment or waiver of the conditions precedent as set out in the section headed “Conditions precedent” below in this announcement.

Citadines TST is a property holding company and its principal asset is the Property and Citadines TST Management is a company providing management service to the Property. Further information on the Target Companies and the Property has been disclosed under the sections headed “Financial information on the Target Companies” and “Information of the Property” below, respectively.

Upon Completion, each of the Target Companies will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group. It is currently intended by the Company that it will hold the Property as a long-term investment for rental purposes.

Mr. Lei Hong Wai, the Chairman of the Board, an executive Director and a Shareholder holding 220,280,000 Shares representing approximately 19.99% of the issued share capital of the Company, has given an undertaking to the Vendor that he will vote for the resolutions in respect of the Sale and Purchase Agreement and the transaction contemplated thereunder at the SGM.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. The Sale and Purchase Agreement, the Deed of Assignment and the transactions contemplated thereunder are therefore subject to the Shareholders' approval at the SGM.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreement, the Deed of Assignment and the transactions contemplated thereunder. The aforesaid approvals shall be obtained by way of a poll. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Sale and Purchase Agreement, the Deed of Assignment and the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting for the resolutions to approve the Sale and Purchase Agreement, the Deed of Assignment and the transactions contemplated thereunder at the SGM.

A circular containing, among other things, details of the Acquisition and the notice of the SGM is expected to be despatched to the Shareholders on or before 30 June 2011 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Shareholders and investors should note that the Sale and Purchase Agreement is subject to various conditions as stated in the section headed "Conditions precedent" in this announcement and therefore the Acquisition may or may not complete. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:00 a.m. on 6 April 2011 pending the release of this announcement. The Company has applied for a resumption of trading in the Shares with effect from 9:00 a.m. on 12 April 2011.

THE ACQUISITION

The Sale and Purchase Agreement

Date: 4 April 2011

Purchaser: Golden Stone Management Limited, a wholly-owned subsidiary of the Company

Vendor: Citadines Ashley TST (Singapore) Pte. Ltd., an investment holding company and a wholly-owned subsidiary of CapitaLand Limited

According to the published corporate information on the Singapore Exchange, CapitaLand Limited is a company listed on SGX MAINBOARD and engages in real estate, hospitality and real estate financial services in Asia Pacific and Europe.

To the best of Directors' knowledge, information and belief, having made all reasonable enquiry, the Vendor and the ultimate beneficial owner of the Vendor are third parties independent of and not connected with any directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates.

Assets to be acquired

Subject to the terms and conditions of the Sale and Purchase Agreement, the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Shares and procure Ascott Holdings to assign the Intermediate Holding Company Loans to the Purchaser.

The Vendor is the sole legal and beneficial owner of the Sale Shares, which represent the entire issued share capital of the Target Companies. Citadines TST is the legal and beneficial owner of the Property situated at No. 18 Ashley Road, Tsimshatsui, Kowloon, Hong Kong and Citadines TST Management is providing management service to the Property.

The Intermediate Holding Company Loans represent the outstanding unsecured interest-free loans provided by Ascott Holdings to Citadines TST and Citadines TST Management as at the date of Completion. As at 31 December 2010, Citadines TST and Citadines TST Management were indebted to Ascott Holdings in the amounts of HK\$190.40 million and HK\$1.00 million, respectively.

The Acquisition Price

The Acquisition Price of HK\$283.00 million has been and shall be settled in cash in the following manner:

- (a) a deposit (the "**Deposit**") of HK\$42.45 million has been paid by the Purchaser to the Vendor upon signing of the Sale and Purchase Agreement; and
- (b) the remaining balance of HK\$240.55 million shall be payable by the Purchaser to the Vendor at Completion.

The Acquisition Price shall be adjusted upward or downward by the Net Current Asset as at the date of Completion, provided that the Acquisition Price shall in no event be higher than HK\$290.00 million.

The Acquisition Price was agreed between the Purchaser and the Vendor after arm's length negotiations with reference to the prevailing market value of properties around the area.

The Acquisition Price will be financed by internal resources of the Group.

Conditions precedent

Completion shall be conditional upon the following matters having occurred:

- (a) the approval by the Shareholders at the SGM of the Sale and Purchase Agreement, the Deed of Assignment and the transactions contemplated under the Sale and Purchase Agreement in accordance with the requirements of the Listing Rules and the Purchaser shall use its best endeavour to procure that the SGM will be held;
- (b) all licenses, permissions, authorizations, certificates, regulatory approvals and consents in relation to the transactions contemplated under the Sale and Purchase Agreement under any applicable laws, statutes, regulations and ordinances having been obtained by the Company, Ascott Holdings and the parties thereto;
- (c) the termination of the management agreement dated 25 April 2008 made between Citadines TST Management and Ascott International Management (2001) Pte Ltd. and all existing management or service arrangements of which Citadines TST Management is a party;
- (d) the Purchaser having reasonably satisfied in material respects with its due diligence investigation in respect of each of the Target Companies, including but not limited to an inspection and investigation as to the legal status, the financial, operation, contractual, taxation and management of the Target Companies and the title of its properties including the Property and licenses necessary to operate the businesses carried on by the Target Companies;
- (e) the warranties remaining true and accurate in all material aspects and not misleading in any material respect and unless otherwise specified in the Sale and Purchase Agreement, at all times subsequent to the date of the Sale and Purchase Agreement up to and including the date of Completion as if repeated on each day immediately prior to the date of Completion;
- (f) the Vendor agrees to produce to the Purchaser at least seven (7) business days before the date of Completion an Architect's Certificate (the "**Certificate**") certifying that the alterations to the Property are not considered as structural alterations and are "Exempted Works" under the Buildings Ordinance and that the Property in its present state and condition is in full compliance with the Buildings Ordinance and other related Ordinances and Regulations relating to their present use. The Certificate shall be in the form (in so far as applicable) similar to the Architect's Certificate issued by Mr. Alfred Y.K. Chow, Authorized Person on 26 April 2006 in relation to the Property;
- (g) there must not be in effect, published, introduced or otherwise formally proposed law or judgment, and there must not have been commenced or threatened any proceeding, that in any case could prohibit, prevent or make illegal the consummation of any of the transactions contemplated by the Sale and Purchase Agreement; and

(h) no Material Adverse Effect occurred on each of the Target Companies and the Property prior to Completion.

The Vendor undertakes to use its best endeavour to procure that conditions (b) to (c) and (e) (in so far as the warranties given by the Vendor are concerned) to (f) are satisfied on or before the Long Stop Date. The Purchaser undertakes to use its best endeavour to procure that conditions (a) to (b) and (e) (in so far as the warranties given by the Purchaser are concerned) are satisfied on or before the Long Stop Date. For the avoidance of doubt, if a party has used its best endeavors to satisfy a condition precedent for which it is responsible but such condition precedent cannot be satisfied by the Long Stop Date, such party shall not be deemed as having committed a breach of the Sale and Purchase Agreement.

The Vendor shall be entitled in its absolute discretion to waive condition (e) (in so far as the warranties given by the Purchaser are concerned). The Purchaser shall be entitled in its absolute discretion to waive conditions (d), (e) (in so far as the warranties given by the Vendor are concerned), (f) and (h). Such waiver shall not imply that the party is not relying on the warranties but rather only that it is prepared, in reliance upon the warranties and such comfort, if any, as it has taken from its investigations, to proceed with the transactions contemplated under the Sale and Purchase Agreement.

If any of the conditions precedent set out above has not been fulfilled (or waived by the Vendor or the Purchaser (as the case may be) by the Long Stop Date, the Sale and Purchase Agreement shall automatically be terminated and shall cease to have any further force and effect and the Vendor shall within five (5) business days from the Long Stop Date return the Deposit without any interest thereon to the Purchaser, whereupon no party shall have any further liability to the other under the Sale and Purchase Agreement.

Completion

Completion shall take place on the date which is the third business days immediately following the date on which all of the above conditions precedent have been satisfied or waived (as applicable) or such other date as the parties may agree in writing on which the completion occurs. Completion is expected to take place by 30 September 2011.

Default

Should the Purchaser fail to complete the purchase of the Sale Shares and/or take up the assignment of the Intermediate Holding Company Loans in accordance with the terms of the Sale and Purchase Agreement as a result of its wilful default or fault, the Vendor shall be entitled to rescind the Sale and Purchase Agreement by notice in writing to the Purchaser and forfeit a sum of HK\$20.00 million as liquidated damages and deduct the same from the Deposit, and within seven (7) business days of such notice in writing return the balance of Deposit to the Purchaser.

Should the Vendor fail to complete the sale of the Sale Shares and/or procure the assignment of the Intermediate Holding Company Loans in accordance with the terms of the Sale and Purchase Agreement as a result of its wilful default or fault, the Purchaser shall be entitled to rescind the Sale and Purchase Agreement by notice in writing to the Vendor and the Vendor shall, within seven (7) business days of such notice, refund the Deposit to the Purchaser without interest and pay a sum of HK\$20.00 million to the Purchaser as liquidated damages.

FINANCIAL INFORMATION ON THE TARGET COMPANIES

Citadines TST

Citadines TST is a company incorporated in Hong Kong with limited liability on 1 March 2006. The principal asset of Citadines TST is the Property.

Based on the audited accounts, which were prepared in accordance with Hong Kong Financial Reporting Standards, of Citadines TST for the year ended 31 December 2009, the audited profit before and after taxation of Citadines TST for the year ended 31 December 2009 were HK\$3.11 million and HK\$2.60 million respectively. The audited net liabilities of Citadines TST amounted to HK\$21.65 million as at 31 December 2009. Based on the management accounts of Citadines TST for the year ended 31 December 2010, the unaudited profit before and after taxation of Citadines TST for the year ended 31 December 2010 were HK\$22.13 million and HK\$18.43 million respectively. The unaudited net liabilities of Citadines TST amounted to HK\$1.28 million as at 31 December 2010.

Citadines TST Management

Citadines TST Management is a company incorporated in Hong Kong with limited liability on 1 March 2006 and is a company providing management service to the Property.

Based on the audited accounts, which were prepared in accordance with Hong Kong Financial Reporting Standards, of Citadines TST Management for the year ended 31 December 2009, the audited loss before and after taxation of Citadines TST Management for the year ended 31 December 2009 were both HK\$1.39 million. The audited net liabilities of Citadines TST Management amounted to HK\$3.05 million as at 31 December 2009. Based on the management accounts of Citadines TST Management for the year ended 31 December 2010, the unaudited loss before and after taxation of Citadines TST Management for the year ended 31 December 2010 were both HK\$0.15 million. The unaudited net liabilities of Citadines TST Management amounted to HK\$3.14 million as at 31 December 2010.

INFORMATION OF THE PROPERTY

The Property is the whole block of a building, namely Citadines Ashley Hongkong, located at No. 18 Ashley Road, Tsimshatsui, Kowloon, Hong Kong. The Property comprises 19-storey, which built in 1998 with a total gross floor area of approximately 28,338 square feet. The ground floor to the 3rd floor is designated for shops and retails purpose and the rest are designated for commercial use purpose. The uppers floors were used as serviced apartments with 36 units.

The Property is located on Ashley Road in the Tsimshatsui district which is a traditional tourist, shopping and entertainment area. A vibrant mix of business and leisure facilities, encompassing broad retail amenities and luxury hotels including Kowloon Hotel, The Peninsula Hotel, Langham Hotel, together with a wide variety of restaurants, café, pubs and bars in the area.

Based on the existing arrangements of the tenancy of the Property, the current monthly rental income are HK\$157,800 (exclusive of government rates and inclusive of management fee) for the ground floor to third floor and HK\$375,000 (inclusive of government rates and management fee) for the serviced apartments. The ground floor to the third floor of the Property is currently used by the tenants as salon and cafés and the tenancy period will be expiring in year of 2011 or 2012 with options to renew.

REASONS FOR THE ACQUISITION

The Company is an investment holding company and its subsidiaries are principally engaged in distribution of films, sub-licensing of film rights, sales of financial assets and provision of management services to concierge departments of gaming promoters.

Following the 2008 financial crisis, investors are allocating their wealth from equities and structured products to real estate assets as they believe real estate assets provide not only a stable income flow in short run, but also an opportunity for capital gain in long run. Real estate assets are also effective against inflation. With a view to expand into property investment/development business, the Group entered into a joint venture agreement with an independent third party on 21 July 2010 for the purpose of setting up a joint venture company engaging in the business of conducting, development and investing into real estate and related projects in Vietnam. As the independent third party failed to obtain the relevant approvals and consents from the Vietnam Government in relation to the setting up of the joint venture company on or before the long stop date, the joint venture agreement was lapsed on 31 December 2010. As stated in the Company's joint announcement with China Star Entertainment Limited dated 9 February 2011, the Company has intended to expand into property investment/development business on its own given the formation of the joint venture company cannot completed. Given land is a scarce resource in Hong Kong and the land supply of Hong Kong is limited, the Directors are positive on the Hong Kong property market. Accordingly the

Directors consider that the terms of the Sale and Purchase Agreement and the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole on the following grounds:

- (i) the Acquisition is in line with the Group's business strategy;
- (ii) the Acquisition presents an opportunity to the Group to expand into property investment business on its own;
- (iii) the Property is located at Tsimshatsui, a prime location of Kowloon peninsular; and
- (iv) the Acquisition enables the Group to diversify its revenue sources and improves the Group's profitability in the long run.

Based on the management accounts of the Target Companies for the year ended 31 December 2010, the combined net liabilities of the Target Companies amounted to HK\$4.42 million as at 31 December 2010. The combined net liabilities position of the Target Companies is mainly attributable to the inclusion of the Intermediate Holding Company Loans of HK\$191.40 million. Given the assignment of the Intermediate Holding Company Loans by Ascott Holdings to the Purchaser at Completion, the Purchaser effectively acquires the combined net assets of the Target Companies of HK\$186.98 million and there is no adverse impact on the financial position of the Company by the net liabilities positions of the Target Companies.

Upon Completion, each of the Target Companies will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group. It is currently intended by the Company that it will hold the Property as a long-term investment for rental purposes.

Having considered the potential growth of the property market in Hong Kong which enable the Group to enjoy the benefit from the capital appreciation of the property investment and the positive impact on the profitability of the Group, the Board is of the view that the Acquisition represents a good opportunity for the Company to participate in the property market in Hong Kong, and therefore is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

UNDERTAKING GIVEN BY MR. LEI HONG WAI TO THE VENDOR

Mr. Lei Hong Wai, the Chairman of the Board, an executive Director and a Shareholder holding 220,280,000 Shares representing approximately 19.99% of the issued share capital of the Company, has given an undertaking to the Vendor that he will vote for the resolutions in respect of the Sale and Purchase Agreement and the transaction contemplated thereunder at the SGM.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. The Sale and Purchase Agreement, the Deed of Assignment and the transactions contemplated thereunder are therefore subject to the Shareholders' approval at the SGM.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreement, the Deed of Assignment and the transactions contemplated thereunder. The aforesaid approvals shall be obtained by way of a poll. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Sale and Purchase Agreement, the Deed of Assignment and the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting for the resolutions to approve the Sale and Purchase Agreement, the Deed of Assignment and the transactions contemplated thereunder at the SGM.

A circular containing, among other things, details of the Acquisition and the notice of the SGM is expected to be despatched to the Shareholders on or before 30 June 2011 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Shareholders and investors should note that the Sale and Purchase Agreement is subject to various conditions as stated in the section headed "Conditions precedent" in this announcement and therefore the Acquisition may or may not complete. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:00 a.m. on 6 April 2011 pending the release of this announcement. The Company has applied for a resumption of trading in the Shares with effect from 9:00 a.m. on 12 April 2011.

DEFINITIONS

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

"Acquisition" the proposed acquisition of the Sale Shares by the Purchaser from the Vendor in accordance with terms and conditions of the Sale and Purchase Agreement

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| “Acquisition Price” | HK\$283.00 million (subject to adjustment), being the consideration for the Sale Shares payable by the Purchaser to the Vendor pursuant to the Sale and Purchase Agreement |
| “Ascott Holdings” | The Ascott Holdings Limited, a company with limited liability and incorporated under the laws of Singapore and the intermediate holding company of the Vendor |
| “associate(s)” | has the meaning ascribed to it in the Listing Rules |
| “Board” | the board of Directors |
| “Buildings Ordinance” | the Buildings Ordinance, Chapter 123 of the laws of Hong Kong |
| “Citadines TST” | Citadines Ashley TST (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Vendor |
| “Citadines TST Management” | Citadines Ashley TST Management (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Vendor |
| “Company” | Eternity Investment Limited, a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board of the Stock Exchange |
| “Completion” | completion of the sale and purchase of the Sale Shares and the assignment of the Intermediate Holding Company Loans in accordance with terms and conditions of the Sale and Purchase Agreement |
| “Director(s)” | the director(s) of the Company |
| “Deed of Assignment” | the deed of assignment to be executed by Ascott Holdings for the assignment of the Intermediate Holding Company Loans to the Purchaser |
| “Exempted Works” | has the meaning ascribed to it in the Buildings Ordinance |
| “Group” | the Company and its subsidiaries |

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| “Intermediate Holding Company Loans” | the unsecured interest-free loans provided by Ascott Holdings in the principal amounts of (i) HK\$190.40 million to Citadines TST; and (ii) HK\$1.00 million to Citadines TST Management as at 31 December 2010 and remains outstanding at Completion |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Long Stop Date” | 30 September 2011 or such other date as the parties may agree in writing |
| “Material Adverse Effect” | in relation to each of the Target Companies, any change or event that would have a material adverse effect on the business, assets, properties, liabilities, financial condition, operating results or operations, taken as a whole, and any change or event which will result in a diminution in value of each of the Target Companies by an amount exceeding HK\$500,000 otherwise than in the usual and ordinary course of business or caused by revaluation of the Property or assets of each of the Target Companies will be considered as having a “Material Adverse Effect” |
| “Net Current Asset” | the difference between current assets and current liabilities of each of the Target Companies as shown in the unaudited management accounts of each of the Target Companies for the period from 1 January 2011 to the date of Completion, excluding, for the avoidance of doubt, the Intermediate Holding Company Loans and any deferred tax asset and liability |
| “Property” | the whole block of “Citadines Ashley Hongkong”, No 18 Ashley Road, Tsimshatsui, Kowloon, Hong Kong erected on Kowloon Inland Lot No. 9613 |
| “Purchaser” | Golden Stone Management Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company |
| “Sale and Purchase Agreement” | the conditional sale and purchase agreement dated 4 April 2011 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares |

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| “Sale Shares” | one share of HK\$1 each in Citadines TST, representing the entire issued share capital of Citadines TST, and one share of HK\$1 each in Citadines TST Management, representing the entire issued share capital of Citadines TST Management |
| “SGM” | the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreement, the Deed of Assignment and the transactions contemplated thereunder |
| “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 |
| “Target Companies” | Citadines TST and Citadines TST Management |
| “Vendor” | Citadines Ashley TST (Singapore) Pte. Ltd., a company incorporated under the laws of Singapore with limited liability |
| “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 , 11 April 2011

As at the date of this announcement, the Board comprises of three executive Directors, namely, Mr. Lei Hong Wai, Mr. Cheung Kwok Wai, Elton and Mr. Chan Kin Wah, Billy; and three independent non-executive Directors, namely, Mr. Tang Chak Lam, Gilbert, Mr. Hung Hing Man and Mr. Wan Shing Chi.