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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

DISCLOSEABLE TRANSACTIONS: SUBSCRIPTION AND CONVERSION OF CONVERTIBLE BONDS

THE SUBSCRIPTION

On 22 December 2011 (after trading hours of the Stock Exchange), Culture Landmark and the Company entered into the Subscription Agreement, pursuant to which Culture Landmark has conditionally agreed to issue and the Company has conditionally agreed to subscribe or procure subscription for the Convertible Bonds in an aggregate principal amount of HK\$75 million at their face value. The principal terms of the Subscription Agreement are set out in this announcement.

LISTING RULES IMPLICATION

As the relevant applicable percentage ratios calculated in accordance with the Listing Rules are more than 5% but less than 25%, the Subscription and the conversion of the Convertible Bonds constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are only subject to the reporting and announcement requirements of the Listing Rules.

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The Subscription Agreement

Date: 22 December 2011 (after trading hours)

Issuer: Culture Landmark

Subscriber: the Company

Save for Mr. Cheung Kwok Fan, the non-executive Director and a Shareholder holding 8.02% of the issued share capital of the Company, beneficially held 73,000,000 shares in Culture Landmark, representing approximately 0.61% of the issued share capital of Culture Landmark, as at the date of the Subscription Agreement, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Culture Landmark and its ultimate beneficial owners are third parties independent of and not connected nor acting in concert with any directors, chief executive or substantial shareholders of the Company or its subsidiaries, or any of their respective associates.

The Subscription will be financed by the Group's internal resources.

Principal terms of the Convertible Bonds

Principal amount: An aggregate principal amount of HK\$75 million.

Maturity: The first anniversary of the date of issue of the Convertible Bonds.

Interest: The Convertible Bonds carry an interest to be accrued at 12% per annum on the actual number of days elapsed and on the basis of a 365-day year.

Interest on the Convertible Bonds shall be payable in arrears on the maturity date of the Convertible Bonds.

A default interest rate of 20% per annum is payable on any overdue amount, whether principal or interest.

Redemption: Culture Landmark may at any time upon the date of issue and before the maturity date of the Convertible Bonds, by serving at least seven days' prior written notice to the bondholder(s) with the total amount proposed to be redeemed from the bondholder(s) specified in the Convertible Bonds, redeem the Convertible Bonds at par.

Any amount of the Convertible Bonds which remains outstanding on the maturity date shall be redeemed at its then outstanding principal amount.

Conversion Price: HK\$0.08 per Conversion Share (subject to adjustment). The adjustments are subject to review by auditors or an approved merchant bank of Culture Landmark. The adjustments for the Conversion Price include the followings:

- (i) an alternation of nominal amount of each share of Culture Landmark by reason of any consolidation or subdivision of shares of Culture Landmark;
- (ii) an issue (other than in lieu of a cash dividend) by Culture Landmark of its shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account, contributed surplus account or capital redemption reserve fund);
- (iii) a capital distribution (as defined in the Instrument) being made by Culture Landmark, whether on a reduction of capital or otherwise, to shareholders of Culture Landmark in their capacity as such;
- (iv) an offer or grant being made by Culture Landmark to its shareholders by way of rights or of options or warrants to subscribe for new shares of Culture Landmark at a price which is less than 90% of the market price (calculation as provided in the Instrument);
- (v) an issue wholly for cash being made by Culture Landmark of securities convertible into or exchangeable for or carrying rights of subscription for new share of Culture Landmark, if in any case the total effective consideration per share of Culture Landmark (as defined in the Instrument) initially receivable for such securities is less than 90% of the market price (calculation as provided in the Instrument), or the terms of any such rights of conversion or exchange or subscription attached to any such securities being modified so that the said total effective consideration per share of Culture Landmark initially receivable for such securities is less than 90% of the market price;

- (vi) an issue being made by Culture Landmark wholly for cash of share of Culture Landmark at a price per share of Culture Landmark less than 90% of the market price (calculation as provided in the Instrument); and
- (vii) an issue being made by Culture Landmark of its shares for acquisition of assets at a total effective consideration per share of Culture Landmark less than 90% of the market price (calculation as provided in the Instrument).

The initial Conversion Price of HK\$0.08 per Conversion Share was arrived at after arm's length negotiations between the Company and Culture Landmark with reference to the recent performance of the shares of Culture Landmark and current market conditions.

The initial Conversion Price of HK\$0.08 represents (i) a premium of approximately 5.26% over the closing price of HK\$0.076 per share of Culture Landmark as quoted on the Stock Exchange on the date of the Subscription Agreement; (ii) a premium of approximately 5.26% over the closing price of HK\$0.076 per share of Culture Landmark as quoted on the Stock Exchange on the Last Trading Day; and (iii) a discount of approximately 0.25% to the average closing prices of approximately HK\$0.0802 per share of Culture Landmark as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

Conversion Shares:

Assuming the Convertible Bonds are converted into the Conversion Shares in full at the initial Conversion Price of HK\$0.08 per Conversion Share, Culture Landmark will allot and issue an aggregate of 937,500,000 Conversion Shares, representing approximately 7.83% of the issued share capital of Culture Landmark as at the date of the Subscription Agreement and approximately 7.26% of the issued share capital of Culture Landmark as at the date of the Subscription Agreement as enlarged by allotment and issue of the Conversion Shares.

- Conversion:** Provided that any conversion of the Convertible Bonds (i) does not trigger a mandatory offer obligation under Rule 26 of the Code on the part of the bondholder(s) which exercised the Conversion Rights and its party(ies) acting in concert; and (ii) will not cause the public float of Culture Landmark unable to meet the requirement under Rule 8.08 of the Listing Rules, the bondholder(s) shall have the right at any time during the conversion period of the Convertible Bonds (i.e. the period commencing from the date of the issue of the Convertible Bonds up to 4:00 p.m. (Hong Kong time) immediately prior to and exclusive of the maturity date) to convert the whole or part of the outstanding principal amount of the Convertible Bonds into the Conversion Shares at the Conversion Price provided further that any conversion shall be made in amounts of not less than a whole multiples of HK\$5 million on each conversion save that if at any time the aggregate outstanding principal amount of the Convertible Bonds is less than HK\$5 million, the whole (but not part only) of the outstanding principal amount of the Convertible Bonds may be converted.
- Transferability:** The bondholder(s) may only assign or transfer the Convertible Bonds to the transferee subject to the consent of Culture Landmark. Culture Landmark will promptly notify the Stock Exchange upon becoming aware of any dealings in the Convertible Bonds by any connected person.
- Ranking:** The Conversion Shares, when allotted and issued, will rank pari passu in all respects with all issued shares of Culture Landmark on the date of the allotment and issue of the Conversion Shares.
- Status of Convertible Bonds:** The Convertible Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of Culture Landmark and rank pari passu without any preference (with the exception as may be provided by applicable legislation) equally with all other present and/or future unsecured and unsubordinated obligations of Culture Landmark.
- Voting rights:** The holders of the Convertible Bonds shall not be entitled to attend or vote at any general meetings of Culture Landmark.
- Application for listing:** No application will be made by Culture Landmark for listing of the Convertible Bonds. Application will be made by Culture Landmark to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Conditions Precedent

The obligations of the parties to the Subscription Agreement to effect the Subscription shall be conditional upon:

- (a) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which Culture Landmark and the Company have no reasonable objection) listing of and permission to deal in the Conversion Shares;
- (b) if required, the publication of an announcement by Culture Landmark in relation to the Subscription Agreement and the issue of the Convertible Bonds and the issue and allotment of the Conversion Shares upon the exercise of the Conversion Rights or otherwise pursuant to the terms and conditions of the Convertible Bonds;
- (c) the publication of an announcement by the Company in relation to the Subscription Agreement and the Subscription and the conversion of the Convertible Bonds;
- (d) there being no occurrence of circumstances which, in the reasonable opinion of the Company, will have a material adverse effect on the financial condition, prospects, earning, business, undertaking or assets of Culture Landmark and its subsidiaries, in each case, taken as a whole, since the date of the Subscription Agreement;
- (e) the warranties given under the Subscription Agreement remaining true, accurate and complete in all material respects and not misleading in any material respect;
- (f) all necessary consents and approvals required to be obtained on the part of Culture Landmark and the Company in respect of the Subscription Agreement and the transactions contemplated hereby having been obtained; and
- (g) if necessary, the Bermuda Monetary Authority granting the consent for the allotment and issue of the Conversion Shares upon conversion of the Convertible Bonds.

If the conditions precedent as set out above are not fulfilled on or before 31 January 2012 (or such other date as may be agreed by Culture Landmark and the Company in writing), the Subscription Agreement shall lapse and become null and void and the parties shall be released from all obligations thereunder, save for any liability arising out of any antecedent breaches of the Subscription Agreement.

Completion

Completion of the Subscription shall take place on the date falling on the third business day (or such other date as may be agreed by Culture Landmark and the Company in writing) after the fulfillment of the conditions as set out in the section headed “Conditions Precedent” above.

Termination

The Company may, by notice to Culture Landmark given at any time prior to the completion of the Subscription, terminate the Subscription Agreement in any of the following circumstances:

In the reasonable opinion of the Company, the success of the Subscription 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 reasonable opinion of the Company materially and adversely affect the business or the financial or trading position or prospects of the Culture Landmark Group as a whole or is materially adverse in the context of the Subscription; 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 reasonable opinion of the Company materially and adversely affect the business or the financial or trading position or prospects of the Culture Landmark Group as a whole or materially and makes it inexpedient or inadvisable to proceed with the Subscription; or
- (c) 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 or trading in securities) occurs which in the reasonable opinion of the Company is likely to materially or adversely affect the success of the Subscription or otherwise makes it inexpedient or inadvisable to proceed with the Subscription; or
- (d) 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
- (e) any suspension in the trading of securities generally or Culture Landmark's securities on the Stock Exchange for a period of more than 15 consecutive business days, excluding any suspension in connection with the clearance of the announcement, the circular or other documents in connection with the transactions contemplated under the Subscription Agreement; or
- (f) any material breach of any of the representations, warranties or undertakings contained in the Subscription Agreement comes to the knowledge of the Company.

If at any time prior to the completion of the Subscription any such notice as is referred to above is given by the Company, the obligations of all parties under the Subscription Agreement shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches of the Subscription Agreement.

USE OF PROCEEDS FROM THE ISSUE OF CONVERTIBLE BONDS AND UNDERTAKINGS GIVEN BY CULTURE LANDMARK

As advised by Culture Landmark, Culture Landmark is considering acquiring shares and securities in a company, the shares of which are listed on the Stock Exchange (the “**Possible Acquisition**”).

The net proceeds from the issue of the Convertible Bonds shall be used exclusively for the Possible Acquisition. Culture Landmark has undertaken to the Company that, save for any sale, disposal or transfer of any securities acquired under the Possible Acquisition pursuant to any arrangements in connection with any other financing arrangement for the Possible Acquisition or any regulatory requirements (including but not limited to the minimum public float requirements), no securities acquired by Culture Landmark under the Possible Acquisition shall at any time be disposed of, transferred or encumbered (whether directly or indirectly) in any way, manner or form unless with the prior written consent of the Company, such consent not to be unreasonably withheld or delayed, for so long as the Company remains a holder of the Convertible Bonds.

As at the date of this announcement, Culture Landmark has not made a final decision in respect of the Possible Acquisition. The Possible Acquisition may or may not proceed. If Culture Landmark does not proceed with the Possible Acquisition after completion of the Subscription, Culture Landmark intends to redeem the Convertible Bonds.

EFFECT ON SHAREHOLDING STRUCTURE OF CULTURE LANDMARK

The shareholding structure of Culture Landmark (a) as at the date of this announcement; and (b) assuming full conversion of the Convertible Bonds by the Company at the initial Conversion Price are set out below:

	As at the date of this announcement		Assuming full conversion of the Convertible Bonds by the Company at the initial Conversion Price	
	No. of shares of Culture Landmark	%	No. of shares of Culture Landmark	%
Mr. Cheng Yang and his associate (<i>Note 1</i>)	1,786,980,000	14.92	1,786,980,000	13.84
Commotra Company Limited	1,333,333,333	11.13	1,333,333,333	10.33
Mr. Liu Yu Mo (<i>Note 2</i>)	1,048,000	0.01	1,048,000	0.01
Mr. Cheung Kwok Fan (<i>Note 3</i>)	73,000,000	0.61	73,000,000	0.57
The Company (<i>Note 4</i>)	—	—	937,500,000	7.26
Other shareholders of Culture Landmark	8,780,979,607	73.33	8,780,979,607	67.99
	<u>11,975,340,940</u>	<u>100.00</u>	<u>12,912,840,940</u>	<u>100.00</u>

Notes:

1. Mr. Cheng Yang is the chairman of the board of directors of Culture Landmark and an executive director of Culture Landmark. Mr. Cheng Yang and his wife hold 1,786,000,000 shares and 980,000 shares in Culture Landmark respectively.
2. Mr. Liu Yu Mo is an executive director of Culture Landmark.
3. Mr. Cheung Kwok Fan is the non-executive Director.
4. Based on the existing shareholding structure and the initial Conversion Price, upon conversion of the Convertible Bonds in full, the Company will be regarded as a public shareholder of Culture Landmark.

INFORMATION OF CULTURE LANDMARK

Culture Landmark and its subsidiaries are principally engaged in property investment, property sub-leasing, licence fees collection business in the People's Republic of China, entertainment business, exhibition-related business, hotel operations and restaurant operations.

The Culture Landmark Group recorded audited loss before and after income tax credit of approximately HK\$1,175.02 million and HK\$1,159.25 million respectively for the financial year ended 31 March 2010, and audited loss before and after income tax credit of approximately

HK\$304.48 million and HK\$279.73 million respectively for the financial year ended 31 March 2011. The Culture Landmark Group had an unaudited net assets of approximately HK\$1,083.67 million as at 30 September 2011.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SUBSCRIPTION AGREEMENT

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.

The Directors consider that the Subscription would enable the Company to participate in the development of the Culture Landmark Group and provide the Company with the flexibility to be benefited from the interest income from the Convertible Bonds as well as the upside of the share price performance of Culture Landmark's shares through conversion of part or whole of the Convertible Bonds into the shares of Culture Landmark as and when the Company considers appropriate.

Taking into account (a) the Conversion Price is arrived at after arms' length negotiation between the Company and Culture Landmark with reference to the prevailing share prices of Culture Landmark; and (b) the interest rate of the Convertible Bonds is at 12% per annum, the Directors consider that the terms of the Subscription Agreement (including the Conversion Price and the interest rate of the Convertible Bonds) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As the relevant applicable percentage ratios calculated in accordance with the Listing Rules are more than 5% but less than 25%, the Subscription and the conversion of the Convertible Bonds constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are only subject to the reporting and announcement requirements of the Listing Rules.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Subscription Agreement is subject to the satisfaction of the conditions precedent as set out in the paragraph headed "Conditions Precedent". Accordingly, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“acting in concert”	has the meaning ascribed to it in the Code
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Code”	the Hong Kong Code on Takeovers and Mergers
“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
“connected person”	has the meaning ascribed to it in the Listing Rules
“Convertible Bonds”	the convertible bonds in an aggregate principal amount of HK\$75 million to be issued by Culture Landmark pursuant to the Subscription Agreement
“Conversion Price”	the initial conversion price of HK\$0.08 per Conversion Share (subject to adjustment) pursuant to the terms of the Convertible Bonds
“Conversion Rights”	the rights attached to the Convertible Bonds to convert the principal amount (or any part(s) thereof) of the Convertible Bonds into Conversion Shares at the Conversion Price
“Conversion Share(s)”	the new shares of Culture Landmark to be issued by Culture Landmark under the Convertible Bonds upon exercise of the Conversion Rights
“Culture Landmark”	Culture Landmark Investment Limited (stock code: 674), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“Culture Landmark Group”	Culture Landmark together with its subsidiaries
“Directors”	the directors of the Company
“Group”	the Company together with its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Instrument”	the instrument to be executed by Culture Landmark by way of a deed poll constituting the Convertible Bonds to be issued upon completion of the Subscription
“Last Trading Day”	21 December 2011, being the last trading day before the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shares”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Convertible Bonds in an aggregate principal amount of HK\$75 million by the Company pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 22 December 2011 entered into between Culture Landmark and the Company in relation to the Subscription
“substantial shareholders”	has the meaning ascribed to it in the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 22 December 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; 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.