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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTIES

ACQUISITION OF PROPERTIES

The Board announces that on 21 August 2012 (after trading hours of the Stock Exchange):

- (a) East Legend entered into the SPA 1 with the Vendor 1 relating to the proposed acquisition of the Property 1 at a cash consideration of HK\$10,719,000; and
- (b) Goway entered into the SPA 2 with the Vendor 2 relating to the proposed acquisition of the Property 2 at a cash consideration of HK\$10,719,000.

IMPLICATIONS UNDER THE LISTING RULES

As the Vendor 1 and the Vendor 2 are brothers, the proposed acquisitions of the Property 1 and the Property 2 are required to aggregate and treat them as if they were one transaction pursuant to Rule 14.22 of the Listing Rules.

Given that the relevant applicable percentage ratios of the Acquisition calculated in accordance with Rule 14.07 of the Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and only subject to the reporting and announcement requirements of the Listing Rules.

ACQUISITION OF PROPERTIES

The Board announces that on 21 August 2012 (after trading hours of the Stock Exchange):

- (a) East Legend entered into the SPA 1 with the Vendor 1 relating to the proposed acquisition of the Property 1 at a cash consideration of HK\$10,719,000; and
- (b) Goway entered into the SPA 2 with the Vendor 2 relating to the proposed acquisition of the Property 2 at a cash consideration of HK\$10,719,000.

Major terms of the SPA 1 and the SPA 2 are set out below.

The SPA 1

Date: 21 August 2012

Parties: Vendor: the Vendor 1
Purchaser: East Legend, a wholly owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor 1 is (i) a third party independent of the Company and its connected persons (as defined under the Listing Rules); and (ii) the younger-brother of the Vendor 2. As at the date of this announcement, the Vendor 1 is a customer of Hong Kong Builders, a wholly owned subsidiary of the Company carrying on money lending business in Hong Kong, and owes Hong Kong Builders an amount of HK\$5,800,818, of which HK\$5,574,757 is secured by a building mortgage of the Property 1.

Assets to be acquired

Subject to the terms and conditions of the SPA 1, East Legend has agreed to purchase and the Vendor 1 has agreed to sell the Property 1 at a cash consideration of HK\$10,719,000.

The Property 1 is a newly constructed three storeyed building located at No.267 Ma Yau Tong, Sai Kung, New Territories with saleable area of approximately 2,100 square feet. The Property 1 is for residential use and is to be sold to East Legend on an "as is" basis. The Property 1 is currently in vacant possession.

Consideration

The consideration of HK\$10,719,000 shall be satisfied in cash by East Legend to the Vendor 1 upon completion of the SPA 1.

The consideration was determined after arm's length negotiations between East Legend and the Vendor 1 on normal commercial terms with reference to the valuation report prepared by an independent valuer appointed by East Legend. According to the valuation report, the Property 1 was valued at HK\$12,000,000 as at 20 August 2012.

The entire consideration of HK\$10,719,000 will be financed by the net proceeds of HK\$12,338,000 from the placing of 39,670,000 new Shares under specific mandate as completed on 18 May 2012.

Conditions

The SPA 1 is conditional upon the satisfaction of the following conditions precedent:

- (a) the publication of the announcement of the Company in relation to the SPA 1 and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules; and
- (b) if necessary, the regulatory approvals and consents in relation to the transactions contemplated under the SPA 1 under any applicable laws, regulations and ordinances of Hong Kong having been obtained by East Legend and/or the Company.

If the conditions set out above have not been satisfied on or before 4:00 p.m. on 31 August 2012, or such later date as East Legend and the Vendor 1 may agree in writing, the SPA 1 shall cease and determine and thereafter, neither party to the SPA 1 shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof. The above conditions are incapable of being waived by either East Legend or the Vendor 1.

The SPA 1 and the SPA 2 are not inter-conditional.

Completion

Completion shall take place at 4:00 p.m. on the first business day after the fulfilment of the conditions or such later date as may be agreed between East Legend and the Vendor 1.

The SPA 2

Date: 21 August 2012

Parties: Vendor: the Vendor 2
Purchaser: Goway, a wholly owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor 2 is (i) a third party independent of the Company and its connected persons (as defined under the Listing Rules); and (ii) the elder-brother of the Vendor 1. As at the date of this announcement, the Vendor 2 is a customer of Hong Kong Builders, a wholly owned subsidiary of

the Company carrying on money lending business in Hong Kong, and owes Hong Kong Builders an amount of HK\$5,800,818, of which HK\$5,574,757 is secured by a building mortgage of the Property 2.

Assets to be acquired

Subject to the terms and conditions of the SPA 2, Goway has agreed to purchase and the Vendor 2 has agreed to sell the Property 2 at a cash consideration of HK\$10,719,000.

The Property 2 is a newly constructed three storeyed building located at No.267A Ma Yau Tong, Sai Kung, New Territories with saleable area of approximately 2,100 square feet. The Property 2 is for residential use and is to be sold to Goway on an “as is” basis. The Property 2 is currently in vacant possession.

Consideration

The consideration of HK\$10,719,000 shall be satisfied in cash by Goway to the Vendor 2 upon completion of the SPA 2.

The consideration was determined after arm’s length negotiations between Goway and the Vendor 2 on normal commercial terms with reference to the valuation report prepared by an independent valuer appointed by Goway. According to the valuation report, the Property 2 was valued at HK\$12,000,000 as at 20 August 2012.

HK\$1,619,000 of the consideration will be financed by the net proceeds of HK\$12,338,000 from the placing of 39,670,000 new Shares under specific mandate as completed on 18 May 2012 and the remaining consideration of HK\$9,100,000 will be financed by the Group’s internal resources.

Conditions

The SPA 2 is conditional upon the satisfaction of the following conditions precedent:

- (a) the publication of the announcement of the Company in relation to the SPA 2 and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules; and
- (b) if necessary, the regulatory approvals and consents in relation to the transactions contemplated under the SPA 2 under any applicable laws, regulations and ordinances of Hong Kong having been obtained by Goway and/or the Company.

If the conditions set out above have not been satisfied on or before 4:00 p.m. on 31 August 2012, or such later date as Goway and the Vendor 2 may agree in writing, the SPA 2 shall cease and determine and thereafter, neither party to the SPA 2 shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof. The above conditions are incapable of being waived by either Goway or the Vendor 2.

The SPA 2 and the SPA 1 are not inter-conditional.

Completion

Completion shall take place at 4:00 p.m. on the first business day after the fulfilment of the conditions or such later date as may be agreed between Goway and the Vendor 2.

REASONS FOR AND BENEFITS OF 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, provision of management services to concierge departments of gaming promoters, property investment and money lending.

In 2011, the Group has successfully expanded into property investment business. The Group has been actively seeking for properties and/or property investment projects with fair and reasonable prices in order to enrich its property investment portfolio. In view of the consideration of each of the Property 1 and the Property 2 represents a discount of approximately 10.68% to its valuation performed by the independent valuer, the Directors consider that the Acquisition presents an opportunity to the Group to acquire properties in order to enrich its property investment portfolio.

As the considerations for the Property 1 and the Property 2 were determined under arm's length negotiations, the Directors consider that the terms of the SPA 1 and the SPA 2 and the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

It is currently intended by the Group that it will hold the Property 1 and the Property 2 as long-term investments for rental purposes.

IMPLICATIONS UNDER THE LISTING RULES

As the Vendor 1 and the Vendor 2 are brothers, the proposed acquisitions of the Property 1 and the Property 2 are required to aggregate and treat them as if they were one transaction pursuant to Rule 14.22 of the Listing Rules.

Given that the relevant applicable percentage ratios of the Acquisition calculated in accordance with Rule 14.07 of the Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and only subject to the reporting and announcement requirements of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the proposed acquisitions of the Property 1 by East Legend from the Vendor 1 and the Property 2 by Goway from the Vendor 2 pursuant to the terms and conditions of the SPA 1 and the SPA 2 respectively
“Board”	the board of the Directors
“Building 1”	the three storeyed building known as No.267 Ma Yau Tong, Sai Kung, New Territories which has been constructed on the Land 1
“Building 2”	the three storeyed building known as No.267A Ma Yau Tong, Sai Kung, New Territories which has been constructed on the Land 2
“Company”	Eternity Investment Limited, an exempted company incorporated in Bermuda with limited liability and the issued Shares are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“East Legend”	East Legend Properties Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Goway”	Goway Properties Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary 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
“Hong Kong Builders”	Hong Kong Builders Finance Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“Land 1”	all that piece or parcel of land situate lying and being at Sai Kung District, New Territories and registered in the Land Registry as LOT NO.646 IN DEMARACTION DISTRICT NO. 401

“Land 2”	all that piece or parcel of land situate lying and being at Sai Kung District, New Territories and registered in the Land Registry as LOT NO.647 IN DEMARACTION DISTRICT NO. 401
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property 1”	all that the Land 1 and of and in the Building 1 known as No.267 Ma Yau Tong, Sai Kung, New Territories
“Property 2”	all that the Land 2 and of and in the Building 2 known as No.267A Ma Yau Tong, Sai Kung, New Territories
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“SPA 1”	the conditional sale and purchase agreement dated 21 August 2012 entered into between East Legend as purchaser and the Vendor 1 as vendor relating to the sale and purchase of the Property 1 at a cash consideration of HK\$10,719,000
“SPA 2”	the conditional sale and purchase agreement dated 21 August 2012 entered into between Goway as purchaser and the Vendor 2 as vendor relating to the sale and purchase of the Property 2 at a cash consideration of HK\$10,719,000
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor 1”	an individual and the beneficial owner of the Property 1
“Vendor 2”	an individual and the beneficial owner of the Property 2
“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, 21 August 2012

As at the date of this announcement, the Board comprises 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.