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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 764)

MONTHLY PROGRESS OF CONVERSION OF CONVERTIBLE BONDS OF CHINA STAR ENTERTAINMENT LIMITED AND POSSIBLE DISPOSAL OF EQUITY INTEREST IN CHINA STAR ENTERTAINMENT LIMITED

Reference is made to the announcement of Eternity Investment Limited (the "Company") dated 18 February 2013 and the circular of the Company dated 11 June 2013 (the "Circular") relating to the conversion of bonus convertible bonds of China Star Entertainment Limited ("China Star") and the possible disposal of equity interest in China Star. Reference is also made to the poll results announcement of the Company dated 28 June 2013. Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

As stated in the Circular, to keep the Shareholders and the investing public informed on the progress of the Disposal and the conversion of the Bonus CBs and the 8% CBs held by the Group, the Company will publish an announcement at the end of each month, starting from the end of the month on which the Disposal is approved by the Shareholders until all of the Disposable China Star Shares have been disposed of or the last day of the 12-month period from the date on which the Disposal is approved by the Shareholders, whichever is earlier.

The Directors would like to inform the Shareholders and the investing public that the progress of the Disposal and the conversion of the Bonus CBs and the 8% CBs during July 2013 are as follows:

A. CHINA STAR SHARES

| | Number of China | Number of China | | | Aggregate number |
|---------------------|---------------------|---------------------|--------------------|--------------------|-------------------|
| | Star Shares | Star Shares | | | of China Star |
| | allotted and issued | allotted and issued | | | Shares disposed |
| | to the Group | to the Group | Number of China | | of by the Group |
| Number of China | pursuant to the | pursuant to the | Star Shares | Number of China | during the period |
| Star Shares held by | conversion of the | conversion of the | disposed of by the | Star Shares held | from the date of |
| the Group as at | Bonus CBs during | 8% CBs during | Group during | by the Group as at | the SGM and up |
| 1 July 2013 | the month | the month | the mouth | 31 July 2013 | to 31 July 2013 |
| 303,990,338 | 0 | 0 | 0 | 303,990,338 | 0 |

B. THE BONUS CBs

| | Principal amount of the | | | |
|-------------------------|----------------------------|---------------------|----------------------|------------------------|
| | Bonus CBs converted | | Number of China | Number of China Star |
| | into China Star Shares | | Star Shares allotted | Shares which may be |
| | by the Group at an | | and issued to the | allotted and issued to |
| | initial conversion price | Principal amount of | Group pursuant | the Group pursuant |
| Principal amount of the | of HK\$0.01 per China | the Bonus CBs held | to the conversion | to the conversion of |
| Bonus CBs held by the | Star Share during the | by the Group as at | of the Bonus CBs | the Bonus CBs as at |
| Group as at 1 July 2013 | month | 31 July 2013 | during the month | 31 July 2013 |
| | | | | |
| HK\$6,079,806.76 | HK\$0 | HK\$6,079,806.76 | 0 | 607,980,676 |

C. THE 8% CBs

| | Principal amount of | | | |
|-------------------------|----------------------|---------------------|-------------------------|------------------------|
| | the 8% CBs converted | | | |
| | into China Star | | | Number of China Star |
| | Shares by the Group | | Number of China | Shares which may be |
| | at an adjusted | | Star Shares allotted | allotted and issued to |
| | conversion | Principal amount of | and issued to the | the Group pursuant |
| Principal amount of the | price of HK\$0.11 | the 8% CBs held | Group pursuant to the | to the conversion of |
| 8% CBs held by the | per China Star Share | by the Group as at | conversion of the 8% | the 8% CBs as at |
| Group as at 1 July 2013 | during the month | 31 July 2013 | CBs during the month | 31 July 2013 |
| HK\$350,000,000 | HK\$0 | HK\$350,000,000 | 0 | 3,181,818,181 |

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

Chairman

Hong Kong, 1 August 2013

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.