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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your securities in Eternity Investment Limited (the "Company"), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

This circular is not an offer of, nor is it intended to invite offers for, securities of the Company.

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ETERNITY INVESTMENT LIMITED

永恒策略投資有限公司*

(Formerly known as China Star Investment Holdings Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE RIGHTS SHARES FOR EVERY ONE EXISTING SHARE HELD ON THE RECORD DATE AND NOTICE OF SPECIAL GENERAL MEETING

Financial adviser to the Company



KINGSTON CORPORATE FINANCE LIMITED

Underwriter to the Rights Issue



KINGSTON SECURITIES LIMITED

Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders



INCU Corporate Finance Limited

It should be noted that the Shares will be dealt in on an ex-rights basis from Thursday, 26 August 2010. Dealings in the Rights Shares in the nil-paid form will take place from Wednesday, 8 September 2010 to Wednesday, 15 September 2010 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any persons dealing in the nil-paid Rights Shares during the period from Wednesday, 8 September 2010 to Wednesday, 15 September 2010 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

A letter of advice from INCU, the independent financial adviser, to the Independent Board Committee and the Independent Shareholders is set out on pages 26 to 44 of this circular and a letter of recommendation from the Independent Board Committee to the Independent Shareholders is set out on page 25 of this circular.

A notice convening a special general meeting of the Company to be held at Board Room, 1st Floor, South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong at 4:00 p.m. on Friday, 3 September 2010 is set out on pages 70 to 72 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, 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 the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

It should be noted that the Underwriting Agreement in respect of the Rights Issue contains provisions entitling the Underwriter by notice in writing to the Company at any time prior to 4:00 p.m. on the Latest Time for Termination to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure. These events are set out under the section headed "Termination of the Underwriting Agreement" on pages 16 to 17 of this circular. If the Underwriter terminates the Underwriting Agreement in accordance with the terms thereof, the Rights Issue will not proceed. In addition, the Rights Issue is conditional on all conditions set out on pages 13 to 14 of this circular being fulfilled or waived (as applicable). In the event that such conditions have not been satisfied and/or waived in whole or in part by the Underwriter on or before Friday, 24 September 2010, all liabilities of the parties to the Underwriting Agreement shall cease and determine and no party shall have any claim against the other party save for any antecedent breach of the Underwriting Agreement and the Rights Issue will not proceed.

20 August 2010

* For identification purpose only

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

2010

Last day of dealings in Shares on a cum-rights basis	Wednesday, 25 August
First day of dealings in Shares on an ex-rights basis	Thursday, 26 August
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:00 p.m. on Friday, 27 August
Register of members closes	Monday, 30 August to Friday, 3 September (both dates inclusive)
Latest time for return of form of proxy for the SGM (not less than 48 hours)	4:00 p.m. on Wednesday, 1 September
SGM	4:00 p.m. on Friday, 3 September
Record Date	Friday, 3 September
Announcement of results of the SGM	Friday, 3 September
Register of members reopens	Monday, 6 September
Prospectus Documents expected to be despatched	Monday, 6 September
First day of dealings in nil-paid Rights Shares	Wednesday, 8 September
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Friday, 10 September
Last day of dealings in nil-paid Rights Shares	Wednesday, 15 September
Latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Monday, 20 September
Rights Issue expected to become unconditional	Friday, 24 September

EXPECTED TIMETABLE

2010

Announcement of results of acceptance and
excess application of the Rights Shares Tuesday, 28 September

Refund cheques for wholly and partially
unsuccessful applications for excess Rights Shares
expected to be posted on or before Wednesday, 29 September

Certificates for fully-paid Rights Shares expected
to be despatched on or before Wednesday, 29 September

First day of dealings in the fully-paid Rights Shares. Monday, 4 October

All times and dates in this circular refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above, or
2. a “black” rainstorm warning
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or

EXPECTED TIMETABLE

- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Acceptance Date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

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

“Acceptance Date”	Monday, 20 September 2010 or such other date as the Underwriter may agree in writing with the Company as the latest date for acceptance of, and payment for, Rights Shares and application and payment for excess Rights Shares
“Announcement”	the announcement of the Company dated 28 July 2010 relating to the Rights Issue
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Eternity Investment Limited (formerly known as China Star Investment Holdings Limited), a company incorporated in Bermuda with limited liability and the issued Shares are listed on the Main Board of the Stock Exchange
“Company Act”	the Companies Act 1981 of Bermuda (as amended)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter

DEFINITIONS

“Facility”	the revolving facility of up to HK\$700 million to be granted by the Company to the JV Co.
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INCU”	INCU Corporate Finance Limited, a licensed corporation to carry out business in type 6 (advising on corporate finance) regulated activity under the SFO, which is appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Rights Issue
“Independent Board Committee”	a committee of the Board comprising all the independent non-executive Directors formed for the purpose of advising the Independent Shareholders in relation to the Rights Issue
“Independent Shareholders”	any Shareholders other than controlling Shareholders and their associates or, where there are no controlling Shareholders, any Shareholders other than directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates
“Independent Third Part(ies)”	the parties or persons who are third parties independent of and not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates
“JV Co.”	Victory Peace Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and to be owned as to 90.1% by Riche and 9.9% by Campbell Shillinglaw & Partners (Vietnam) Limited, an Independent Third Party. As at the Latest Practicable Date, one share of US\$1.00 of Victory Peace Holdings Limited has been issued and fully paid up by Riche
“Last Trading Day”	28 July 2010, being the date of the Underwriting Agreement, which is a Stock Exchange trading day

DEFINITIONS

“Latest Practicable Date”	18 August 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Latest Time for Termination”	4:00 p.m. on the third Business Day after the Acceptance Date or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	the option(s) to subscribe for Shares under the Share Option Scheme
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Prohibited Shareholders”	those Overseas Shareholders to whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Issue to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF

DEFINITIONS

“Prospectus Posting Date”	Monday, 6 September 2010 or such other date as the Underwriter may agree in writing with the Company, as the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus, for information only, to the Prohibited Shareholders
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Prohibited Shareholders
“Record Date”	Friday, 3 September 2010 or such other date as the Underwriter may agree in writing with the Company, as the date by reference to which entitlements to the Rights Issue are expected to be determined
“Registrar”	the branch share registrar of the Company in Hong Kong, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong
“Riche”	Riche (BVI) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Rights Issue”	the proposed issue by way of rights on the basis of three (3) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	new Shares to be allotted and issued under the Rights Issue, being not less than 826,584,147 new Shares and not more than 879,960,951 new Shares
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held to consider and, if though fit, approve the Rights Issue
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	the holder(s) of the issued Shares
“Share Option Scheme”	the share option scheme of the Company adopted on 21 January 2002
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.40 per Rights Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Project”	the acquisition of a land located at the Socialist Republic of Vietnam and the development thereof into a high-end multi-storey apartments and commercial building for sales. Details are disclosed in the Company’s announcement dated 23 July 2010
“Underwriter”	Kingston Securities Limited, a licensed corporation to carry on type 1 (dealing in securities) regulated activity under the SFO
“Underwriting Agreement”	the underwriting agreement dated 28 July 2010 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	not less than 826,584,147 Rights Shares and not more than 879,960,951 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent.

LETTER FROM THE BOARD



ETERNITY INVESTMENT LIMITED

永恒策略投資有限公司*

(Formerly known as China Star Investment Holdings Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

Executive Directors:

Mr. Lei Hong Wai (*Chairman*)

Mr. Chan Kin Wah, Billy

Independent non-executive Directors:

Mr. Tang Chak Lam, Gilbert

Mr. Hung Hing Man

Mr. Wan Shing Chi

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

20 August 2010

To the Shareholders

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE
ON THE BASIS OF THREE RIGHTS SHARES
FOR EVERY ONE EXISTING SHARE HELD
ON THE RECORD DATE**

INTRODUCTION

On 28 July 2010, the Board announced that the Company proposed to raise approximately HK\$330.63 million to HK\$351.98 million, before expenses, by issuing not less than

* For identification purpose only

LETTER FROM THE BOARD

826,584,147 Rights Shares and not more than 879,960,951 Rights Shares to the Qualifying Shareholders by way of rights issue at a price of HK\$0.40 per Rights Share on the basis of three (3) Rights Shares for every one (1) existing Share held on the Record Date.

The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Rights Issue and INCU has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The purpose of this circular is to provide you, among others, (a) further details about the Rights Issue; (b) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (c) a letter of advice from INCU to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (d) the notice of the SGM at which an ordinary resolution will be proposed to consider and, if though fit, approve the Rights Issue.

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue:	Three (3) Rights Shares for every one (1) existing Share held on the Record Date
Subscription Price:	HK\$0.40 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	275,528,049 Shares
Number of outstanding Options:	17,792,268 Options entitling the holders thereof to subscribe for 17,792,268 Shares under the Share Option Scheme
Number of enlarged Shares in issue assuming all the Options are exercised in full from the Latest Practicable Date to the Record Date:	293,320,317 Shares
Number of Rights Shares:	Not less than 826,584,147 Rights Shares and not more than 879,960,951 Rights Shares
Number of Rights Shares underwritten by the Underwriter:	Not less than 826,584,147 Rights Shares and not more than 879,960,951 Rights Shares. Accordingly, the Rights Issue is fully underwritten.

LETTER FROM THE BOARD

Number of enlarged Shares in issue upon completion of the Rights Issue:	Not less than 1,102,112,196 Shares and not more than 1,173,281,268 Shares
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As at the Latest Practicable Date, save for the 17,792,268 Options, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

Assuming no further issue of new Shares or repurchase of Shares on or before the Record Date, the 826,584,147 Rights Shares propose to be provisionally allotted represent 300% of the Company's issued share capital as at the Latest Practicable Date and 75% of the Company's issued share capital as enlarged by the issue of the 826,584,147 Rights Shares.

The aggregate nominal value of the Rights Shares will be not less than HK\$8,265,841.47 and not more than HK\$8,799,609.51.

As at the Latest Practicable Date, the Directors have not received any information from any substantial Shareholders of their intention to take up the Rights Shares provisionally allotted or offered to them or to be provisionally allotted or offered to them.

Basis of provisional allotment

The basis of the provisional allotment shall be three (3) Rights Shares for every one (1) existing Share held on the Record Date, being not less than 826,584,147 Rights Shares and not more than 879,960,951 Rights Shares at the Subscription Price of HK\$0.40 per Rights Share. Acceptance for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being accepted for.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send (a) the Prospectus Documents to the Qualifying Shareholders; and (b) the Prospectus, for information only, to the Prohibited Shareholders.

To qualify for the Rights Issue, the Shareholders must at the close of business on the Record Date (a) be registered on the register of members of the Company; and (b) not be the Prohibited Shareholders.

LETTER FROM THE BOARD

In order to be registered as members of the Company at the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on Friday, 27 August 2010.

Closure of register of members

The register of members of the Company will be closed from Monday, 30 August 2010 to Friday, 3 September 2010, both days inclusive. No transfer of Shares will be registered during this period.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and Bermuda.

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Rights Issue, to be despatched to the Qualifying Shareholders as soon as practicable. The Company will send copies of the Prospectus to the Prohibited Shareholders for their information only, but will not send any PAL and EAF to them.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Prohibited Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the Prohibited Shareholders. The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold entitlement of the Prohibited Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by the Qualifying Shareholders.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price is HK\$0.40 per Rights Share, payable in full on application for the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 29.82% to the closing price of HK\$0.57 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 35.48% to the average closing price of approximately HK\$0.62 per Share for the five consecutive trading days ended on the Last Trading Day;
- (c) a discount of approximately 9.09% to the theoretical ex-rights price of approximately HK\$0.44 per Share based on the closing price of HK\$0.57 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (d) a discount of approximately 9.09% to the closing price of HK\$0.44 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Shares prior to the Last Trading Day. The Directors (excluding the independent non-executive Directors who will give their view on the Rights Issue after taking into account the advice of INCU) consider the terms of the Rights Issue, including the Subscription Price which has been set at a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share will be approximately HK\$0.394.

Fractions of the Rights Shares

On the basis of provisional allotment of three (3) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

LETTER FROM THE BOARD

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Prohibited Shareholders and for any Rights Shares provisionally allotted but not accepted.

Applications for excess Rights Shares may be made by completing the EAFs for application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (a) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and
- (b) subject to availability of excess Rights Shares after allocation under principle (a) above, the excess Rights Shares will be allocated to the Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for a smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive a lesser number of Rights Shares; whereas Qualifying Shareholders applying for a larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive a higher number of Rights Shares).

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

Investors whose Shares are held by their nominees and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:00 p.m. on Friday, 27 August 2010.

LETTER FROM THE BOARD

Status of the Rights Shares

The Rights Shares, when allotted and fully paid, will rank pari passu in all respects with all the Shares in issue as at the date of allotment and issue of the Rights Shares. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

The first day of dealings in the Rights Shares in their fully-paid form is expected to be Monday, 4 October 2010.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Wednesday, 29 September 2010. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Wednesday, 29 September 2010 by ordinary post to the applicants at their own risk.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be allotted and issued pursuant to the Rights Issue.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Rights Shares in nil-paid and fully-paid forms will be traded in board lots of 2,000 Shares (as the Shares are currently traded on the Stock Exchange in board lots of 2,000 Shares).

LETTER FROM THE BOARD

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms and, as regards the Prohibited Shareholders, their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled or waived (as appropriate):

- (a) the passing by the Independent Shareholders of ordinary resolution(s) to approve the Underwriting Agreement, the allotment and issue of the Rights Shares and the transactions contemplated thereunder at the SGM;
- (b) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance not later than the Prospectus Posting Date;
- (c) the registration with the Registrar of Companies in Bermuda one copy of each of the Prospectus Documents duly signed by one Director (for and on behalf of all Directors) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Companies Act not later than or shortly after the Prospectus Posting Date;

LETTER FROM THE BOARD

- (d) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (e) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares (in both nil-paid and fully-paid forms) by no later than the first day of their dealings;
- (f) if necessary, the Bermuda Monetary Authority granting consent to the issue of the Rights Shares by the Latest Time for Termination or such other time as the Underwriter may agree with the Company in writing;
- (g) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms; and
- (h) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement.

If the above conditions are not satisfied and/or waived in whole or in part by the Underwriter by the Latest Time for Termination or such later date or dates as the Underwriter may agree with the Company in writing, the Underwriting Agreement shall terminate and (save for any antecedent breach of the Underwriting Agreement and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) no party will have any claim against any other party for costs, damages, compensation or otherwise.

Underwriting Agreement

Date: 28 July 2010

Underwriter: The Underwriter

Number of Rights Shares to be underwritten: Not less than 826,584,147 Rights Shares and not more than 879,960,951 Rights Shares. Accordingly, the Rights Issue is fully underwritten.

LETTER FROM THE BOARD

Commission: 1.0% of the aggregate Subscription Price in respect of the maximum number of the Underwritten Shares.

The Board considers the terms of the Underwriting Agreement including the commission rate accord with the market practice and are fair and reasonable so far as the Company and the Shareholders are concerned.

To the best of the Directors' knowledge, information and belief, save for the fact that the Underwriter is interested in one (1) Share, the Underwriter and its ultimate beneficial owners are Independent Third Parties.

Pursuant to the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers for the Underwritten Shares not taken up by the Qualifying Shareholders (the "**Untaken Shares**"), (a) the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares which will result in the shareholding of it and parties acting in concert (having the meaning of the Takeovers Code) with it in the Company to exceed 10% of the voting rights of the Company upon the completion of the Rights Issue; and (b) the Underwriter shall use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it (i) shall be the Independent Third Party; and (ii), save for the Underwriter itself and its associates, shall not, together with any party acting in concert (having the meaning of the Takeovers Code) with it, hold 10% or more of the voting rights of the Company upon completion of the Rights Issue.

To comply with the requirement of the Underwriter under the Underwriting Agreement, the Underwriter will make arrangements that in respect of those Untaken Shares, the Underwriter would take up not more than 110,211,215 Rights Shares (assuming no Option is exercised on or before the Record Date) or not more than 117,328,122 Rights Shares (assuming all the Options are exercised on or before the Record Date), which, together with its existing shareholding and the assured entitlement of Rights Shares, would representing less than 10% of the issued share capital of the Company immediately upon completion of the Rights Issue, and the Rights Shares in excess of 110,211,215 Rights Shares (assuming no Option is exercised on or before the Record Date) or 117,328,122 Rights Shares (assuming all the Options are exercised on or before the Record Date) would be taken up by the other persons who are Independent Third Parties procured by the Underwriter.

LETTER FROM THE BOARD

Termination of the Underwriting Agreement

The Underwriter shall have the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company at any time prior to 4:00 p.m. on the third Business Day after the Acceptance Date, if:

- (a) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) 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 absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (ii) 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 of the Underwriting Agreement) 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 absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (b) 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 absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or

LETTER FROM THE BOARD

- (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 other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (f) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (g) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the announcement in respect of the Rights Issue or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (a) any material breach of any material representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (b) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

LETTER FROM THE BOARD

WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS SHARES

The Shares will be dealt in on an ex-rights basis from Thursday, 26 August 2010. Dealings in the Rights Shares in the nil-paid form will take place from Wednesday, 8 September 2010 to Wednesday, 15 September 2010 (both days inclusive). If the conditions of the Underwriting Agreement are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

Any Shareholders or potential investors contemplating selling or purchasing Rights Shares in their nil-paid form during the period from Wednesday, 8 September 2010 to Wednesday, 15 September 2010 (both days inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or potential investors dealing in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Wednesday, 8 September 2010 to Wednesday, 15 September 2010 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company from the Latest Practicable Date to immediately after completion of the Rights Issue:

(a) Assuming that there is no Option is exercised on or before the Record Date:

	As at the Latest Practicable Date		Upon completion of the Rights Issue (assuming all Shareholders take up the Rights Shares)		Upon completion of the Rights Issue (assuming no Shareholder take up the Rights Shares) <i>(Note)</i>	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Thought Diamond International Limited	56,000,000	20.32	224,000,000	20.32	56,000,000	5.08
Mr. Lei Hong Wai	1,320,000	0.48	5,280,000	0.48	1,320,000	0.12
Mr. Chan Kin Wah, Billy	1,320,000	0.48	5,280,000	0.48	1,320,000	0.12
Public:						
Mr. Gu San Guan	27,180,000	9.87	108,720,000	9.87	27,180,000	2.47
Mr. Man Kong Yui	26,420,000	9.59	105,680,000	9.59	26,420,000	2.40
The Underwriter	1	0.00	4	0.00	826,584,148	75.00
Other public Shareholders	163,288,048	59.26	653,152,192	59.26	163,288,048	14.81
Total	275,528,049	100.00	1,102,112,196	100.00	1,102,112,196	100.00

LETTER FROM THE BOARD

(b) Assuming that all the Options are exercised in full on or before the Record Date:

	As at the Latest Practicable Date		Upon completion of the Rights Issue (assuming all Shareholders take up the Rights Shares)		Upon completion of the Rights Issue (assuming no Shareholder take up the Rights Shares) <i>(Note)</i>	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Thought Diamond International Limited	56,000,000	19.09	224,000,000	19.09	56,000,000	4.77
Mr. Lei Hong Wai	2,355,559	0.80	9,422,236	0.80	2,355,559	0.20
Mr. Chan Kin Wah, Billy	2,355,559	0.80	9,422,236	0.80	2,355,559	0.20
Public:						
Mr. Gu San Guan	27,180,000	9.27	108,720,000	9.27	27,180,000	2.32
Mr. Man Kong Yui	26,420,000	9.01	105,680,000	9.01	26,420,000	2.25
Holder of Options	15,721,150	5.36	62,884,600	5.36	15,721,150	1.34
The Underwriter	1	0.00	4	0.00	879,960,952	75.00
Other public Shareholders	163,288,048	55.67	653,152,192	55.67	163,288,048	13.92
Total	293,320,317	100.00	1,173,281,268	100.00	1,173,281,268	100.00

Note: This scenario is for illustration purpose only and will never occur. Pursuant to the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers to subscribe for any of the Untaken Shares: (a) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (having the meaning under the Takeovers Code) with it in the Company to exceed 10% of the voting rights of the Company upon the completion of the Rights Issue; and (b) the Underwriter shall use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it (i) shall be Independent Third Party; and (ii) save for the Underwriter and its associates, shall not, together with any party acting in concert (having the meaning under the Takeovers Code) with it, hold 10% or more of the voting rights of the Company upon completion of the Rights Issue.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in the distribution of films, sub-licensing of film rights, sales of financial assets and provision of management services to concierge departments of gaming promoters.

LETTER FROM THE BOARD

On 23 July 2010, the Company entered into the joint venture agreement with Campbell Shillinglaw & Partners (Vietnam) Limited for the purpose of setting up the JV Co. to proceed with business of conducting, development and investing into real estate and related projects in Vietnam, including the Target Project. To facilitate the business development of the JV Co., the Group entered into a facility agreement with the JV Co. on 23 July 2010. Pursuant to the facility agreement, the Company conditionally agreed to provide the Facility to the JV Co., subject to conditions. Details of which has been disclosed in the Company's announcement dated 23 July 2010.

The Board considers that it is prudent to finance the Facility by long-term financing, preferably in the form of equity which will not increase the Group's finance costs. The Board considers that the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position for strategic investments. The estimated net proceeds of the Rights Issue will be approximately HK\$325.11 million to approximately HK\$346.46 million. The Board intends to apply all the proceeds from the Rights Issue for the fund required under the Facility. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group. Accordingly, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

If the Company cannot complete the formation of the JV Co. and the granting of the Facility (collectively the "Transactions"), the Company intends to use the proceeds raised from the Rights Issue to expand into property investment/development business on its own. In the event that the Company completes the Transactions and the JV Co. fails to acquire the land for the purpose of the Target Project, the Company intends to use the proceeds raised from the Rights Issue, through the JV Co., for other property investment/development projects. Save for the Transactions, the Company has not identified any other property investment/development project as at the Latest Practicable Date.

FINANCIAL AND TRADING PROSPECT

For the year ended 31 December 2009, the revenue of the Group recorded approximately HK\$74.71 million, a 288% increase from approximately HK\$19.25 million for the previous year. The significant increase in revenue was attributable to the full year effect of the Group's expansion into provision of management services business in August 2008 and the turnaround in the performance of sales of financial assets. Of the total turnover amount, approximately HK\$60.49 million was generated from provision of management services and approximately HK\$14.22 million was generated from sales of financial assets.

LETTER FROM THE BOARD

The profit attributable to owners of the Company for the year ended 31 December 2009 was approximately HK\$416.56 million, whereas the Group recorded a loss of approximately HK\$224.51 million for the previous year. The substantial improvement of the financial information of the Group for the year ended 31 December 2009 was mainly attributed to share of results of associates of the Company of approximately HK\$724.99 million.

During the year 2010, save for the joint venture agreement relating to the formation of the JV Co. and the Facility Agreement, the Company had entered into the joint venture agreement with Yiu Hing International Limited, an Independent Third Party. By formation of the joint venture company with Yiu Hing International Limited, the Group will be able to engage in organic agricultural business in the PRC.

The Group is actively seeking investment opportunities to diversify its business and broaden its revenue base. Furthermore, the Board will continue to adopt a prudence approach in investing Hong Kong equities to enhance the returns to the Shareholders.

FUND RAISING EXERCISES IN THE PAST TWELVE MONTHS IMMEDIATELY PRECEDING THE DATE OF THE ANNOUNCEMENT

Set out below is the fund raising activities conducted by the Company in the past twelve months prior to the date of the Announcement.

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
12 July 2010	Placing of a maximum of 45,920,000 new Shares	HK\$24.90 million	For general working capital of the Group	The proceeds have been used as intended.
20 November 2009	Subscription of 56,000,000 new Shares	HK\$27.70 million	For possible diversified investments of the Group	The proceeds have not yet been utilised and would be utilised to the fund the Facility.
28 August 2009	Top-up placing of 22,000,000 new Shares	HK\$9.03 million	For general working capital of the Group	The proceeds have been used as intended.

LETTER FROM THE BOARD

Save as abovementioned, the Company had not conducted any other fund raising exercise in the past 12 months immediately preceding the date of the Announcement.

ADJUSTMENTS TO THE OPTIONS

Adjustments to the exercise prices and numbers of the Options may be required under the Share Option Scheme. An approved investment bank or the auditors of the Company will be appointed to certify the necessary adjustments, if any, to the exercise prices and numbers of the Options. Further announcement will be made by the Company in this regard.

LISTING RULES IMPLICATIONS

Pursuant to the requirements of the Listing Rules, the Rights Issue is conditional upon the approval by the Independent Shareholders by way of a poll at the SGM, where the controlling Shareholder, or in the case where the Company has no controlling Shareholder, the directors (excluding independent non-executive directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the Rights Issue. As at the Latest Practicable Date, the Company had no controlling Shareholder and each of Mr. Lei Hong Wai and Mr. Chan Kin Wah, Billy, both of them are executive Directors, held 1,320,000 and 1,035,559 Options. Accordingly, Mr. Lei Hong Wai and Mr. Chan Kin Wah, Billy and their respective associates are required to abstain from voting in favour of the Rights Issue at the SGM.

The Independent Board Committee has been formed to make recommendations to the Independent Shareholders in respect of the Rights Issue. INCU has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Upon the approval of the Rights Issue by the Independent Shareholders at the SGM, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Prospectus Posting Date and the Prospectus will be despatched to the Prohibited Shareholders for information only.

SGM

The notice convening the SGM is set out on pages 70 to 72 of this circular. The SGM will be convened at Board Room, 1st Floor, South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong at 4:00 p.m on Friday, 3 September 2010 for the purpose of, considering and, if thought fit, approving the Rights Issue.

LETTER FROM THE BOARD

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM. Completion and return of a form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

RECOMMENDATION

You are advised to read carefully the letter from the Independent Board Committee and the letter from INCU set out on page 25 and pages 26 to 44 respectively of this circular. The Independent Board Committee, having taken into account the advice of INCU, considers that the terms of the Rights Issue are fair and reasonable so far as the Independent Shareholders are concerned and the Rights Issue is in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the proposed resolution approving the Rights Issue at the SGM.

Accordingly, the Directors believe that the terms of the Rights Issue are fair and reasonable and in the interests of the Group and the Shareholders as a whole, therefore, the Directors recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation, prepared for the purpose of incorporation in this circular, from the Independent Board Committee to the Independent Shareholders regarding the Rights Issue:



ETERNITY INVESTMENT LIMITED

永恒策略投資有限公司*

(Formerly known as China Star Investment Holdings Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

20 August 2010

To the Independent Shareholders

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE
ON THE BASIS OF THREE RIGHTS SHARES
FOR EVERY ONE SHARE HELD ON THE RECORD DATE**

We refer to the circular of the Company dated 20 August 2010 (the “Circular”) of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable insofar as the Independent Shareholders are concerned. INCU has been appointed as the independent financial adviser to advise the Independent Shareholders and the Independent Board Committee in this respect.

Having taken into account the principal reasons and factors considered by, and the advice of, INCU as set out in its letter of advice to the Independent Shareholders and the Independent Board Committee on pages 26 to 44 of the Circular, we are of the opinion that the Rights Issue is in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable insofar as the Company and the Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Rights Issue.

Yours faithfully,
For and on behalf of

Independent Board Committee

Mr. Tang Chak Lam, Gilbert

Mr. Hung Hing Man

Mr. Wan Shing Chi

Independent non-executive Directors

* For identification purpose only

LETTER FROM INCU



INCUB Corporate Finance Limited

Unit 1602, Ruttonjee House
Ruttonjee Centre, 11 Duddell Street
Central, Hong Kong

20 August 2010

*To the Independent Board Committee and
the Independent Shareholders of*

Eternity Investment Limited

(Formerly known as China Star Investment Holdings Limited)

Unit 3811

Shun Tak Centre

West Tower

168-200 Connaught Road Central

Hong Kong

Dear Sirs,

PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE RIGHTS SHARES FOR EVERY ONE EXISTING SHARE HELD ON THE RECORD DATE

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue, details of which are set out in “Letter from the Board” (the “**Board Letter**”) in the Company’s circular dated 20 August 2010 (the “**Circular**”) to the Shareholders, of which this letter forms a part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless otherwise stated.

On 28 July 2010, the Board announced that the Company proposed to raise approximately HK\$330.63 million to HK\$351.98 million, before expenses, by issuing not less than 826,584,147 Rights Shares and not more than 879,960,951 Rights Shares to the Qualifying

LETTER FROM INCU

Shareholders by way of rights issue at a price of HK\$0.40 per Rights Share on the basis of three (3) Rights Shares for every one (1) existing Share held on Record Date. On 3 August 2010, the Company also announced further information and clarification in respect of the Rights Issue.

Pursuant to the requirements of the Listing Rules, the Rights Issue must be made conditional upon the approval by the Independent Shareholders by way of poll at the SGM, where the controlling Shareholders or, in the case that the Company has no controlling Shareholder, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue. As at the Latest Practicable Date, the Company had no controlling Shareholder and each of Mr. Lei Hong Wai and Mr. Chan Kin Wah, Billy, both are executive Directors, held 1,320,000 Shares and 1,035,559 Options. Accordingly, all such Directors and their respective associates are required to abstain from voting in favour of the Rights Issue at the SGM.

The Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Tang Chak Lam, Gilbert, Mr. Hung Hing Man and Mr. Wan Shing Chi has been established to advise the Independent Shareholders in respect of the Rights Issue. INCU has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable so far as the Independent Shareholders are concerned and whether the Rights Issue is in the interests of the Company and the Independent Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied upon accuracy of the information and representations contained in the Circular and information provided to us by the Company and its management and the Directors. We have assumed that all statements and representations made or referred to in the Circular were true at the time they were made and continue to be true at the date of the SGM. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due enquiry.

We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and have been confirmed by the Directors that there are no material facts and representations not contained in the Circular, the omission of which would make any statements in the Circular, including this letter, misleading. We have not, however, conducted any independent in-depth investigation

LETTER FROM INCU

into the business affairs or future prospects of the Group or its associated companies, nor have we carried out any independent verification of the information provided by the Directors and management of the Company. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information and representations contained in the Circular and to provide a reasonable basis for our recommendations regarding the Rights Issue. Apart from normal professional fees for our services to the Company in connection with the engagement described above, no arrangement exists whereby INCU will receive any benefits from the Group.

We have not considered the tax consequences on the Qualifying Shareholders arising from the subscription for, holding of or dealing in the Rights Shares or otherwise, since these are particular to their own circumstances. We will not accept responsibility for any tax effect on, or liabilities of, any person resulting from the subscription for, holding of or dealing in the Rights Shares or the exercise of any rights attaching thereto or otherwise. In particular, Qualifying Shareholders subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions with regard to the Rights Issue and, if they are in any doubt, they should consult their own professional advisers.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In giving our recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, we have taken into consideration the following factors and reasons:

1. Business and financial highlights of the Group

(a) Principal business of the Group

The Group is principally engaged in the distribution of films, sub-licensing of film rights, sales of financial assets and provision of management services to concierge departments of gaming promoters.

LETTER FROM INCU

(b) Financial highlights of the Group

	For the year ended 31 December	
	2009 (audited) <i>HK\$'000</i>	2008 (audited and restated) <i>HK\$'000</i>
Turnover	74,711	19,253
Profit/(loss) attributable to owners of the Company	416,562	(224,508)
	As at 31 December	
	2009 (audited) <i>HK\$'000</i>	2008 (audited) <i>HK\$'000</i>
Non-current assets	1,018,978	459,184
Current assets	461,794	1,065,096
Non-current liabilities	98,320	167,481
Current liabilities	11,408	462,376
Net assets	1,371,044	894,423

As set out in the Company's annual report 2009 (the "2009 Annual Report"), the Group recorded turnover of approximately HK\$74,711,000 from continuing operations for the year ended 31 December 2009, representing an increase of approximately 288% from the turnover of approximately HK\$19,253,000 (restated) for the year ended 31 December 2008. The significant increase in turnover was attributable to the full year effect of the Group's expansion into provision of management services to concierge departments of gaming promoters in August 2008 and the turnaround in the performance of sales of financial assets. The Group recorded net profit attributable to the owners of the Company of approximately HK\$416,562,000 for the year ended 31 December 2009, representing an increase in profit of approximately HK\$641,070,000 from previous loss of approximately HK\$224,508,000 for the year ended 31 December 2008. The substantial increase in profit was mainly attributable to share of results of associates of the Company of approximately HK\$724,988,000.

LETTER FROM INCU

2. Reasons for the Rights Issue and the use of proceeds

As referred to the Board Letter, the Company has entered into the joint venture agreement with Campbell Shillinglaw & Partners (Vietnam) Limited for the purpose of setting up the JV Co. to proceed the business of conducting, development and investing into real estate and related projects in Vietnam, including the acquisition of a land located at the Socialist Republic of Vietnam and the development thereof into a high-end multi-storey apartments and commercial building for sales. To facilitate the business development of the JV Co., the Group (as a 90.1% ultimate beneficial owner of the JV Co. upon completion of the formation of the JV Co.) has entered into a facility agreement with the JV Co. on 23 July 2010. Pursuant to the facility agreement, the Company conditionally agreed to provide a revolving facility of up to HK\$700 million (the “**Facility**”) to the JV Co., subject to conditions.

If the Company cannot complete the formation of JV Co. and provision of the Facility (collectively the “**Transactions**”), the Company intends to use the net proceeds raised from the Rights Issue to expand into property investment/development business on its own. In the event that the Company completes the formation of JV Co. and the JV Co. fails to acquire the land for the purpose of the Target Project, the Company intends to use the proceeds raised from the Rights Issue, through the JV Co., for other property investment/development projects. Save for the Transactions, the Company has not identified any other property investment/development project as at the Latest Practicable Date.

As stated in the 2009 Annual Report, the Group is not able to secure a sufficient quantity of films at reasonable prices for distribution and the cost of maintaining a film distribution network is high, the Group has further scaled down its film distribution operations in the second half of 2009 in order to improve the Group’s cost structure and position to better compete for success in the year to come. The Group will continue to explore new business development to diversify the Group’s businesses and broaden its revenue base.

Therefore, considering the cash position of the Group as at 31 December 2009 of approximately HK\$275.80 million and in anticipation of future funds required including but not limited to the JV Co. (if materialised), the Group has a funding needs.

As stated in the Board Letter, the Board considers that it is prudent to finance the Facility by long-term financing, preferably in the form of equity rather than bank financing and issue of convertible bonds which will increase the Group’s finance costs. The Board considers that the Rights Issue will not impose finance costs

LETTER FROM INCU

to the Group, will enable the Group to strengthen its capital base and to enhance its financial position for strategic investments. The Rights Issue will give the Qualifying Shareholders the equal opportunity to maintain their respective pro rate shareholding interests in the Company and to continue to participate in the future development of the Group. Accordingly, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The gross proceeds of the Rights Issue will be approximately HK\$330.63 million (assuming no further issue of new Shares on or before Record Date) to HK\$351.98 million (assuming further issue of new Shares upon full exercise of the subscription rights attaching to the Options on or before the Record Date), the expenses in connection with the Rights Issue will be approximately HK\$5.52 million and the estimated net proceeds of the Rights Issue will be approximately HK\$325.11 million (assuming no further issue of new Shares on or before Record Date) to approximately HK\$346.46 million (assuming further issue of new Shares upon full exercise of the subscription rights attaching to the Options on or before the Record Date). The Board intends to apply the net proceeds from the Rights Issue for the fund required under the Facility.

We noted from the Board Letter that in the past 12 months immediately preceding the date of the Underwriting Agreement, save for the Rights Issue, the Company has completed the following fund raising activities:

- (i) top-up placing of 22,000,000 new Shares as announced on 28 August 2009 to raise net proceeds of approximately HK\$9.03 million for general working capital of the Group. As advised by the Company, such net proceeds have been utilised in full as intended;
- (ii) subscription of 56,000,000 new Shares as announced on 20 November 2009 to raise net proceeds of approximately HK\$27.70 million for possible diversified investments of the Group. As advised by the Company, such net proceeds have not yet been utilized and will be utilised to facilitate the Facility (as further announced by the Company on 3 August 2010); and
- (iii) placing of a maximum of 45,920,000 new Shares as announced on 12 July 2010 to raise net proceeds of approximately HK\$24.90 million for general working capital of the Group. As advised by the Company, such net proceeds have been utilised in full as intended.

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Having considered (i) the cash position of the Group as at 31 December 2009; (ii) the Facility to be granted by the Group to the JV Co. to facilitate the business development of the JV Co.; (iii) the Rights Issue is of long term nature and non-interest bearing, would strengthen the Group's capital base; and (iv) the Rights Issues provides all Qualifying Shareholders with the same opportunity to maintain their proportional interests in the Company; and (v) should the Qualifying Shareholders decide not to take up their entitlements under the Rights Issue, they can trade the nil-paid Rights Shares in the market for economic benefits, we are of the view and concur with the view of the Directors that the Rights Issue is the best option for fulfilling its future funding requirements and is fair and reasonable and is in the interests of the Group and the Independent Shareholders as a whole.

3. The Rights Issue

The basis of the provisional allotment shall be three (3) Rights Shares for every one (1) existing Share held on the Record Date, being not less than 826,584,147 Rights Shares and not more than 879,960,951 Rights Shares at the Subscription Price of HK\$0.40 per Rights Share. Assuming no further issue of new Shares or repurchase of Shares on or before the Record Date, the 826,584,147 Rights Shares proposed to be provisionally allotted represents 300% of the Company's issued share capital as at the Latest Practicable Date and 75% of the Company's issued share capital as enlarged by the issue of the 826,584,147 Rights Shares.

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

The Subscription Price is HK\$0.40 per Rights Share, payable in full on application for the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Directors confirm that they have not received any information from any substantial Shareholders of their intention to take up the Rights Shares provisionally allotted or offered to them or to be provisionally allotted or offered to them.

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The Subscription Price represents:

- (a) a discount of approximately 29.82% to the closing price of HK\$0.57 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 35.48% to the average closing price of approximately HK\$0.62 per Share for the five consecutive trading days ended on the Last Trading Day;
- (c) a discount of approximately 9.09% to the theoretical ex-rights price of approximately HK\$0.44 per Share based on the closing price of HK\$0.57 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (d) a discount of approximately 9.09% to the closing price of HK\$0.44 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

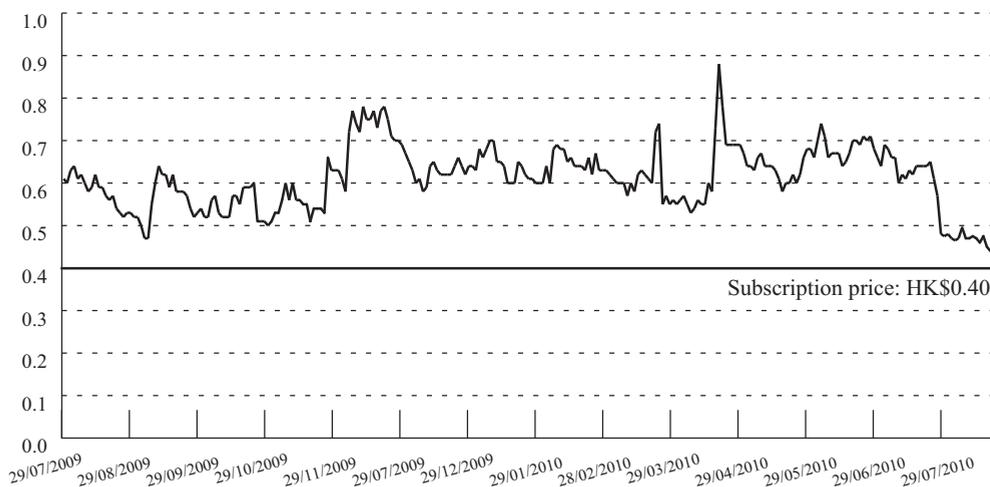
As stated in the Board Letter, the Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Shares prior to the Last Trading Day. The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share will be approximately HK\$0.394.

(a) *Historical closing prices of the Company*

We have reviewed the trading price of the Shares for the period from 29 July 2009, being the 12-month period prior to the date of the Underwriting Agreement, up to and including the Latest Practicable Date (the “**Review**

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Period”). The chart below illustrates the daily closing prices of the Share versus the Subscription Price during the Review Period:



Source: the website of the Stock Exchange

Note: Trading of Shares was suspended from 12 December 2009 to 13 December 2009 and from 22 July 2010 to 23 July 2010 during the Review Period.

During the Review Period, the highest closing price and the lowest closing price of the Shares were HK\$0.88 on 28 April 2010 and HK\$0.44 on the Latest Practicable Date. The Shares were traded with a closing price over the Subscription Price during the Review Period. The Subscription Price is lower than the lowest closing price of the Shares during the Review Period and represents a discount of approximately 14.89% to such lowest closing price. The average closing prices of the Shares for the 30 trading days, 60 trading days and 90 trading days prior to the date of the Underwriting Agreement were approximately HK\$0.6583, HK\$0.6563 and HK\$0.6403 respectively. The Subscription Price is lower than the abovementioned average closing prices and represents a discount of approximately 39.24%, 39.05% and 37.53% respectively.

We note that it is a common market practice that, in order to enhance the attractiveness of a rights issue exercise and to encourage the existing shareholders to participate in a rights issue, the subscription price of a rights issue normally represents a discount to the prevailing market prices of the relevant shares. Taken into account (i) the common practice as represented by the Comparables to set their subscription prices of their rights issues at a discount to the prevailing market prices of the relevant shares before the relevant announcements; and (ii) the Subscription Price is set at a discount

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to the closing price on the last trading day, the theoretical ex-rights price and the historical average closing prices for the 30 trading days, 60 trading days and 90 trading days prior to the date of the Underwriting Agreement, we are of the view that the Subscription Price is lower than the prevailing market prices of the Shares is in line with general practice and is acceptable, fair and reasonable and is in the interests of the Company and the Independent Shareholders as a whole.

(b) Comparison with other rights issue

In assessing the fairness of the Subscription Price, we also consider a broader comparison of rights issues conducted by other companies listed on the Stock Exchange to provide a more general reference for the Subscription Price. We have identified all rights issues (the “**Comparables**”) announced by companies that are listed on the Main Board or the Growth Enterprise Market of the Stock Exchange within the six-month period before 28 July 2010, being the date of the Underwriting Agreement, for reference. As the terms of the Comparables are determined under similar market conditions and sentiments and all rights issues are principally carried out for fund raising purposes as the Rights Issue, we believe that the Comparables (regardless of their respective industry background) may reflect the recent trend of the rights issue transactions in the market and consider the Comparables are fair and representative samples. Details of the Comparables are summarized in the following table:

Comparables	Date of announcement	Basis of entitlement	Premium/ (discount) of subscription price over/(to) the closing price on the last trading day (%)	Premium/ (discount) of subscription price over/(to) the theoretical ex- entitlement price (%)	Maximum dilution (Note 1) (%)	Underwriting Commission (%)	Application for excess rights shares
Polyard Petroleum International Group Limited (8011)	3 Feb 2010	1 for 2	(50.00)	(40.30)	33.33	0.00	Yes
Imagi International Holdings Limited (585)	17 Feb 2010	4 for 1	(93.10)	(72.90)	80.00	1.00	Yes

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Comparables	Date of announcement	Basis of entitlement	Premium/ (discount) of subscription price over/(to) the closing price on the last trading day (%)	Premium/ (discount) of subscription price over/(to) the theoretical ex- entitlement price (%)	Maximum dilution (Note 1) (%)	Underwriting Commission (%)	Application for excess rights shares
China Merchant Bank Co., Ltd. (3968)	2 Mar 2010	1.3 for 10 (H shares)	(49.19)	(46.14)	11.50	Information not available	Yes
Unity Investments Holdings Limited (913)	4 Mar 2010	2 for 1	(68.75)	(42.31)	66.67	2.50	Yes
United Gene High-Tech Group Limited (399)	19 Mar 2010	1 for 1	(89.17)	(80.45)	50.00	5.00	No
Ruyan Group (Holdings) Limited (329)	20 Apr 2010	1 for 2	(53.27)	(43.18)	33.33	5.00	Yes
China Trends Holdings Limited (8171)	28 Apr 2010	4 for 1	(89.61)	(63.30)	80.00	2.00	Yes
TCC International Holdings Limited (1136)	17 May 2010	1 for 2	(27.08)	(19.85)	33.33	2.25	Yes
Bank of Communication Co., Ltd. (3328)	6 Jun 2010	1.5 for 10	(37.20)	(34.00)	13.04	Information not available	Yes
Radford Capital Investment Limited (901)	10 Jun 2010	4 for 1	(61.54)	(24.24)	80.00	2.50	Yes
Genvon Group Limited (2389)	11 Jun 2010	3 for 2	(35.62)	(18.03)	60.00	1.50	No
Playmates Toys Limited (869)	11 Jun 2010	1 for 2	(38.14)	(29.08)	33.33	2.50	Yes
Global Bio-chem Technology Group Company Limited (809)	14 Jun 2010	2 for 5	(50.33)	(41.86)	28.57	3.00	Yes

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Comparables	Date of announcement	Basis of entitlement	Premium/ (discount) of subscription price over/(to) the closing price on the last trading day (%)	Premium/ (discount) of subscription price over/(to) the theoretical ex- entitlement price (%)	Maximum dilution (<i>Note 1</i>) (%)	Underwriting Commission (%)	Application for excess rights shares
Bank of China Limited (3988)	2 Jul 2010	1.1 for 10 (H shares)	Information not available	Information not available	9.91	Information not available	Yes
Sau San Tong Holdings Limited (8200)	6 Jul 2010	6 for 1	(83.33)	(41.18)	85.71	2.50	Yes
Great World Company Holdings Limited (8003)	6 Jul 2010	1 for 1	(61.54)	(44.44)	50.00	3.00	Yes
China Star Entertainment Limited (326)	8 Jul 2010	1 for 2	(12.28)	(8.26)	33.33	1.00	Yes
Ruyan Group (Holdings) Limited (329)	21 Jul 2010	20 for 1	(90.83)	(32.06)	95.24	3.00	Yes
Unity Investments Holdings Limited (913)	27 Jul 2010	8 for 1	(73.13)	(23.22)	88.89	2.50	Yes
Industrial and Commercial Bank of China Limited (1398)	28 Jul 2010	0.6 for 10 (H shares)	Information not available	Information not available	5.66	Information not available	Yes
Maximum			(93.10)	(80.45)	95.24	5.00	
Minimum			(12.28)	(8.26)	5.66	0.00	
Mean			(59.12)	(39.16)	48.59	2.45	
The Company		3 for 1	(29.82)	(9.09)	75.00	1.00	

Source: website of the Stock Exchange

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Notes:

1. Maximum dilution effect of each rights issue is calculated as: (number of rights shares to be issued)/(number of existing shares held for the entitlement for the rights shares + number of rights shares to be issued) x 100%.

As shown in the above table, the discounts represented by the subscription prices to the closing prices of shares of the Comparables on the last trading days prior to the release of the respective announcements ranged from approximately 12.28% to approximately 93.10% (the “**LTD Market Range**”) with a mean of approximately 59.12%. The discount of the Company of approximately 29.82% as represented by the Subscription Price to the closing price of the Shares on the Last Trading Day falls below the mean and within the LTD Market Range.

The discount represented by the subscription prices to the theoretical ex-entitlement prices of the shares of the Comparables ranged from approximately 8.26% to approximately 80.45% (the “**TEP Market Range**”) with a mean of 39.16%. The discount of the Company of approximately 9.09% as represented by the Subscription Price to the theoretical ex-entitlement price falls below the mean and within the TEP Market Range.

The maximum dilution effect of the Comparables ranged from approximately 5.66% to approximately 95.24% with a mean of 48.59% (the “**Dilution Range**”). The maximum dilution effect of the Company of approximately 75.00% falls within the Dilution Range. As shown in the above table, the maximum dilution was determined by the basis of entitlements and the discounts were determined by market factors. Hence, there is no material correlation between the maximum dilution effect and the discounts.

The LTD Market Range, TEP Market Range and Dilution Range is extracted based on the relevant announcements of the Comparables. The wide range of LTD Market Range, TEP Market Range and Dilution Range was due to the fact that each of the listed companies was using different basis of entitlement and different discounts to market prices or the theoretical ex-entitlement prices that each of these listed companies considered to be fair and reasonable and in the interests of the company and its shareholders as a whole.

We believe the LTD Market Range, TEP Market Range and Dilution Range have reflected the recent trend of the rights issue transactions in the market. We consider that it is common for the listed issuers in Hong Kong to issue rights shares at a discount to the market price in order to enhance the attractiveness of a rights issue transaction. Having considered that

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(i) the Subscription Price was determined after arm's length negotiations between the Company and the Underwriter; (ii) the discount represented by the Subscription Price to the closing price of the Shares on the Last Trading Day of approximately 29.82% falls below the mean of approximately 59.12% and within the LTD Market Range from approximately 12.28% to approximately 93.10%; (iii) the discount represented by the Subscription Price to the theoretical ex-entitlement price of approximately 9.09% falls below the mean of approximately 39.16% and within the TEP Market Range from approximately 8.26% to approximately 80.45%; and (iv) all Qualifying Shareholders are offered an equal opportunity to subscribe for the Rights Shares, we consider the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

(c) *Underwriting Agreement and Commission*

The Underwriting Agreement dated 28 July 2010 entered into between the Company and the Underwriter in relation to the Rights Issue of not less than 826,584,147 Rights Shares and not more than 879,960,951 Rights Shares on a fully underwritten basis of HK\$0.01 each (par value) in the then issued share capital of the Company. Rights Shares are offered to the Qualifying Shareholders for subscription on the basis of three (3) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price of HK\$0.40 per Rights Share. To the best of the Directors' knowledge, information and belief, save for the fact that the Underwriter is interested in one (1) Share, the Underwriter and its ultimate beneficial owners are Independent Third Parties.

Pursuant to the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers for the Underwritten Shares not taken up by the Qualifying Shareholders (the "**Untaken Shares**"), (a) the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares which will result in the shareholding of it and parties acting in concert (having the meaning of the Takeovers Code) with it in the Company to exceed 10% of the voting rights of the Company upon the completion of the Rights Issue; and (b) the Underwriter shall use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it (i) shall be the Independent Third Party; and (ii), save for the Underwriter itself and its associates, shall not, together with any party acting in concert (having the meaning of the Takeovers Code) with it, hold 10% or more of the voting rights of the Company upon completion of the Rights Issue.

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To comply with the requirement of the Underwriter under the Underwriting Agreement, the Underwriter will make arrangements that in respect of those Untaken Shares, the Underwriter would take up not more than 110,211,215 Rights Shares (assuming no Option is exercised on or before the Record Date) or not more than 117,328,122 Rights Shares (assuming all the Options are exercised on or before the Record Date), which, together with its existing shareholding and the assured entitlement of Rights Shares, would represent less than 10% of the issued share capital of the Company immediately upon completion of the Rights Issue, and the Rights Shares in excess of 110,211,215 Rights Shares (assuming no Option is exercised on or before the Record Date) or 117,328,122 Rights Shares (assuming all the Options are exercised on or before the Record Date) would be taken up by the other persons who are Independent Third Parties procured by the Underwriter.

The Company will pay the Underwriter an underwriting commission of 1.00% of the aggregate Subscription Price of the Underwritten Shares as determined on the Record Date. The underwriting commission of 1.00% is the same as the placing commission charged by the Underwriter as placing agent of the Company for placing of new Shares in August 2009 and in July 2010 respectively. In view that the underwriting commission of 1.00% falls within the range of commission of the Comparables from zero to 5.00% and falls below the mean of 2.45%, we consider the underwriting commission of 1.00% is in line with the market and is fair and reasonable as far as the Independent Shareholders are concerned.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be allotted and issued pursuant to the Rights Issue. Shareholders can trade the nil-paid Rights Shares in the market for economic benefits.

(d) *Application for excess Rights Shares*

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Prohibited Shareholders and for any Rights Shares provisionally allotted but not accepted. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and

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- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for a smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive a lesser number of Rights Shares; whereas Qualifying Shareholders applying for a larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive a higher number of Rights Shares).

We are not aware of the allocation arrangement of the excess application is unusual to other rights issues conducted by the Comparables (of which most of the Comparables has excess application) and consider such allocation arrangement is in line with normal market practice.

Among the Comparables, 18 listed companies arranged excess application for rights shares, of which 11 listed companies adopted a sliding scale as the allocation arrangements of the excess application with Qualifying Shareholders applying for a smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive a lesser number of Rights Shares; whereas Qualifying Shareholders applying for a larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive a higher number of Rights Shares. Hence, we are of the view that the allocation arrangements of the excess application by way of a sliding scale is on a fair and reasonable.

(e) Risks associated with the Rights Issue

Shareholders should note that, as stated in the Board Letter, the Rights Issue is conditional upon, among other things, the Underwriting Agreement having become unconditional and the Underwriting Agreement not being terminated in accordance with the terms thereof (a summary of which is set out in the sub-paragraph headed “Termination of the Underwriting Agreement” in the Board Letter). As such, the Rights Issue may or may not proceed. The Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

4. Alternatives to the Rights Issue

We have enquired with the Company and are advised that they have considered other methods of fund raisings such as placement of convertible bonds and bank financing. Taking into account that (i) both bank financing and issue of convertible bonds will incur finance costs to the Company; (ii) the Rights Issue will not impose finance costs to the Group; (iii) any issue of convertible bonds without first offering the existing Shareholders the opportunity to participate in the Company's equity raising exercise would result in dilution of shareholding of and per Share value to the existing Shareholders; and (iv) the Rights Issue will enable the Shareholders to maintain their proportionate interests in the Company and to continue to participate in the future development of the Group should they so wish; and (v) should the Shareholders decide not to take up their entitlements under the Rights Issue, they can trade the nil-paid Rights Shares in the market for economic benefits, we concur with the view of the Directors that fund raising by way of the Rights Issue is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

5. Potential dilution effect on the shareholding interests of the Independent Shareholders

Assuming no further issue of new Shares or repurchase of Shares on or before the Record Date, the 826,584,147 Rights Shares proposed to be provisionally allotted represents 300% of the Company's issued share capital as at the Latest Practicable Date and 75% of the Company's issued share capital as enlarged by the issue of the 826,584,147 Rights Shares. The total issued share capital will be increased to 1,102,112,196 Shares.

As the Rights Issue is offered to all Qualifying Shareholders on the same basis, Qualifying Shareholders will be able to maintain their proportional interests in the Company if they take up their allotments under the Rights Issue in full. Any Qualifying Shareholders who choose not to take up in full their assured entitlements under the Rights Issue will have their shareholdings in the Company diluted by up to a maximum of approximately 75.00% from their shareholding interests upon completion of the Rights Issue.

In all cases of rights issues, the dilution on the shareholding of those qualifying shareholders who do not take up in full their assured entitlements under the rights issues is inevitable. In fact, the dilution magnitude of any rights issues depends mainly on the extent of the basis of entitlement under such exercises since the higher

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offering ratio of new shares to existing shares is the greater the dilution on the shareholding would be. In view of the (i) maximum dilution effect of 75% is within the Comparables (ranging from 5.66% to 95.24%); (ii) the discount represented by the Subscription Price to the market price is to attract Shareholders to participate in the Rights Issue; and (iii) Shareholders can trade the nil-paid Rights Shares in the market for economic benefits, we consider the potential dilution effect on the shareholding which may only happen to the Qualifying Shareholders who decide not to accept the Rights Issue is fair and acceptable.

6. Financial effect of the Rights Issue

(a) *Net tangible assets*

According to the unaudited pro forma financial information of the Group as set out in Appendix II to the Circular, the audited consolidated net tangible assets of the Group was approximately HK\$1,032 million as at 31 December 2009. The unaudited pro forma adjusted consolidated net tangible assets of the Group upon completion of the Rights Issue would increase to (i) approximately HK\$1,357 million as a result of the inflow of the estimated net proceeds of approximately HK\$325 million from the Rights Issue (assuming no further issue of new Shares on or before the Record Date); or (ii) approximately HK\$1,378 million as a result of the inflow of the estimated net proceeds of approximately HK\$346 million from the Rights Issue (assuming further issue of new Shares upon full exercise of the subscription rights attaching to the Options on or before the Record Date).

Assuming completion of the Rights Issue has taken place on 31 December 2009 which is the reference date for the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group, the unaudited pro forma adjusted consolidated net tangible assets per Share based on (i) 1,014,712,196 Shares (assuming no further issue of new Shares on or before the Record Date) in issue would be approximately HK\$1.34, representing a decrease of approximately HK\$4.14 per Share from the audited consolidated net tangible assets per Share of approximately HK\$5.48 as at 31 December 2009; and (ii) 1,068,089,000 Shares (assuming further issue of new Shares upon full exercise of the subscription rights attaching to the Options on or before the Record Date) in issue would be approximately HK\$1.29, representing a decrease of approximately HK\$4.19 per Share from the audited consolidated net tangible assets per Share of approximately HK\$5.48 as at 31 December 2009. The decrease in the net tangible assets per Share upon completion of the Rights Issue is inevitable because the Right Shares will be

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issued at a discount to the net tangible asset per Share. Having considered all Qualifying Shareholders are offered the same opportunities to enjoy the benefit of subscribing the Rights Shares at the Subscription Price which is at a discount to the market price of the Shares, we consider such decrease in the consolidated net tangible assets per Share is acceptable.

(b) *Liquidity and working capital*

Total current assets and total current liabilities of the Group as at 31 December 2009 were approximately HK\$461,794,000 and HK\$11,408,000 respectively. Accordingly, the current ratio (being current assets/current liabilities) as at 31 December 2009 was about 40.48 times. The net proceeds from the Rights Issue is expected to enhance its current assets by approximately HK\$325.11 million (assuming no further issue of new Shares on or before Record Date) to approximately HK\$346.46 million (assuming further issue of new Shares upon full exercise of the subscription rights attaching to the Options on or before the Record Date) and thus improve the current ratio.

After reviewing the working capital forecast as provided by the Company, the Rights Issue will also enhance the working capital position with cash inflow to the Group. Therefore, we concur with the Directors' view that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Taking into consideration of the above mentioned principal factors and reasons, we consider that the terms of the Rights Issue are (i) fair and reasonable so far as the Independent Shareholders are concerned; and (ii) in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the relevant ordinary resolution to be proposed at the SGM to approve the Rights Issue.

Yours faithfully,

For and on behalf of

INCU Corporate Finance Limited

Gina Leung

Managing Director

Peggy Wong

Associate Director

FINANCIAL INFORMATION INCORPORATED BY REFERENCE

The audited consolidated financial statements of the Group for the year ended 31 December 2007, 31 December 2008 and 31 December 2009, including the notes thereto, have been published in the annual reports of the Company for the year ended 31 December 2007 (pages 44 to 135), 31 December 2008 (pages 52 to 171) and 31 December 2009 (pages 52 to 195) respectively, which are incorporated by reference into this circular. The said annual reports of the Company are available on the Company's website at www.eterernityinv.com.hk and the website of the Stock Exchange at www.hkexnews.hk.

STATEMENT OF INDEBTEDNESS**Borrowings**

As at the close of business on 30 June 2010, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had outstanding borrowings of HK\$72,000,000, representing the convertible note which is unsecured and interest-bearing at 5% per annum. The convertible note was fully repaid in July 2010.

Save as disclosed above and apart from intra-group liabilities, the Group did not have any loan capital issued and outstanding or agreed to be issued, any loan capital, bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans or acceptance credits or hire purchase commitments, capital commitments, guarantees or other material contingent liabilities as at the close of business on 30 June 2010.

WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, in the absence of unforeseeable circumstances and after taking into account of the Rights Issue and the internal resources of the Group, the Group has sufficient working capital for its normal business for at least the next 12 months from the date of publication of this circular.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2009, being the date to which the latest published audited consolidated accounts of the Group were made up.

**1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED
NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS
OF THE COMPANY**

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company prepared in accordance with Rule 4.29 of the Listing Rules is set out below to illustrate the effect of the Rights Issue of not less than 826,584,147 Rights Shares and not more than 879,960,951 Rights Shares at a price of HK\$0.40 per Rights Share on the basis of three Rights Shares for every one existing Share held on the consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 31 December 2009.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purpose only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Rights Issue been completed as at 31 December 2009 or any future date.

The following is an unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company based on the consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2009 and adjusted for the effect of the Rights Issue. Unless otherwise defined, capitalised terms used in this Appendix shall have the same meaning of those used in the Circular.

	Consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2009 <i>(Note 1)</i> <i>HK\$'000</i>	Estimated net proceeds from the Rights Issue <i>(Note 2)</i> <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2009 immediately after completion of the Rights Issue <i>HK\$'000</i>
Minimum number of 826,584,147 Rights Shares to be issued	<u>1,031,507</u>	<u>325,114</u>	<u>1,356,621</u>
Maximum number of 879,960,951 Rights Shares to be issued	<u>1,031,507</u>	<u>346,464</u>	<u>1,377,971</u>
			<i>HK\$</i>
Consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2009 prior to completion of the Rights Issue <i>(Note 3)</i>			<u>5.48</u>
Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2009 immediately after completion of the Rights Issue (based on the minimum number of 826,584,147 Rights Shares to be issued) <i>(Note 4)</i>			<u>1.34</u>
Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2009 immediately after completion of the Rights Issue (based on the maximum number of 879,960,951 Rights Shares to be issued) <i>(Note 5)</i>			<u>1.29</u>

Notes:

1. The amount represents the consolidated net assets of the Group attributable to owners of the Company as at 31 December 2009 of approximately HK\$1,371,044,000 less intangible assets, being services agreement with the carrying amount of approximately HK\$339,537,000. These figures were extracted from the consolidated statement of financial position of the Group as at 31 December 2009 as set out in the annual report of the Company for the year ended 31 December 2009.
2. The estimated net proceeds from the Rights Issue of approximately HK\$325,114,000 and HK\$346,464,000 are calculated based on the minimum number of 826,584,147 Rights Shares and the maximum number of 879,960,951 Rights Shares, respectively, to be issued at HK\$0.40 per Rights Share and after deduction of estimated underwriting commission, legal and professional fees and other related expenses of approximately HK\$5,520,000 respectively to be incurred by the Group.
3. The consolidated net tangible assets of the Group attributable to owners of the Company per Share prior to completion of the Rights Issue is calculated based on 188,128,049 Shares in issue as at 31 December 2009.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share immediately after completion of the Rights Issue (based on the minimum number of 826,584,147 Rights Shares to be issued) is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue and on the basis of 1,014,712,196 Shares in issue or to be issued, comprising 188,128,049 Shares in issue as at 31 December 2009 and the minimum number of 826,584,147 Rights Shares to be issued.
5. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share immediately after completion of the Rights Issue (based on the maximum number of 879,960,951 Rights Shares to be issued) is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue and on the basis of 1,068,089,000 Shares in issue or to be issued, comprising 188,128,049 Shares in issue as at 31 December 2009 and the maximum number of 879,960,951 Rights Shares to be issued.
6. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2009.
7. The above adjustments have not taken into account the following transactions subsequent to 31 December 2009:
 - (i) issue of 26,420,000 new Shares for settling the consideration of HK\$18,000,000 in acquiring a 4.5% interest in the entire issued share capital of Hantec Holdings Investment Limited on 16 April 2010;
 - (ii) approximately HK\$9,385,000 received upon exercise of share options into 15,060,000 new Shares under the Company's share option scheme; and
 - (iii) approximately HK\$24,900,000 net proceeds received from issue of 45,920,000 new Shares upon completion of placing as announced by the Company on 12 July 2010.

If the effects of these transactions were taken into account,

- the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue (based on the minimum number of 826,584,147 Rights Shares to be issued) would have been increased to approximately HK\$1,408,906,000;
- the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue (based on the maximum number of 879,960,951 Rights Shares to be issued) would have been increased to approximately HK\$1,430,256,000;
- the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share immediately after completion of the Rights Issue (based on the minimum number of 826,584,147 Rights Shares to be issued) would be approximately HK\$1.28, which is calculated based on 1,102,112,196 Shares in issue or to be issued; and
- the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share immediately after completion of the Rights Issue (based on the maximum number of 879,960,951 Rights Shares to be issued) would be approximately HK\$1.24, which is calculated based on 1,155,489,000 Shares in issue or to be issued.

2. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following is the text of the report, prepared for the sole purpose of inclusion in this Circular, received from the reporting accountants, HLB Hodgson Impey Cheng, Chartered Accountants, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company set out in this appendix.



Chartered Accountants
Certified Public Accountants

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

20 August 2010

The Directors
Eternity Investment Limited
(Formerly known as China Star Investment Holdings Limited)
Unit 3811, Shun Tak Centre
West Tower
168-200 Connaught Road Central
Hong Kong

Dear Sirs,

We report on the unaudited pro forma statement of adjusted consolidated net tangible assets of Eternity Investment Limited (formerly known as China Star Investment Holdings Limited) (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) attributable to owners of the Company, which has been prepared by the directors of the Company, for illustrative purpose only, to provide information about how the proposed rights issue of not less than 826,584,147 Rights Shares and not more than 879,960,951 Rights Shares at a price of HK\$0.40 per Rights Share on the basis of three Rights Shares for every one existing Share held might have affected the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company presented for inclusion in Section 1 of Appendix II to the circular issued by the Company dated 20 August 2010 (the “Circular”). The basis of preparation of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company is set out on pages 46 to 49 of Appendix II to the Circular.

Respective responsibilities of the Directors of the Company and reporting accountants

It is the responsibility solely of the Directors of the Company to prepare the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company with the Directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been properly compiled by the Directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the

adjustments are appropriate for the purpose of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company is for illustrative purpose only, based on the judgments and assumptions made by the Directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of the financial position of the Group as at 31 December 2009 or any future date.

Opinion

In our opinion:

- the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been properly compiled by the Directors of the Company on the basis stated;
- such basis is consistent with the accounting policies of the Group; and
- the adjustments are appropriate for the purposes of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully
HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants
Hong Kong

1. 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 respect and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately upon completion of the Rights Issue are as follows:

<i>Authorised:</i>	<i>HK\$</i>
<u>2,000,000,000</u> Shares as at the Latest Practicable Date	<u>20,000,000.00</u>

(i) Assuming no Options is exercised on or before the Record Date:

<i>Issued and to be issued:</i>	<i>HK\$</i>
275,528,049 Shares in issue and fully paid as at the Latest Practicable Date	2,755,280.49
<u>826,584,147</u> Rights Shares to be issued	<u>8,265,841.47</u>
<u>1,102,112,196</u>	<u>11,021,121.96</u>

(ii) Assuming all Options are exercised in full on or before the Record Date:

<i>Issued and to be issued:</i>	<i>HK\$</i>
275,528,049 Shares in issue and fully paid as at the Latest Practicable Date	2,755,280.49
17,792,268 Shares to be issued under the Options	177,922.68
<u>879,960,951</u> Rights Shares to be issued	<u>8,799,609.51</u>
<u>1,173,281,268</u>	<u>11,732,812.68</u>

All of the Rights Shares to be issued will rank pari passu in all respect with each other, including, in particular, as to dividends, voting rights and capital, and with all the Shares in issue as at the date of allotment and issue of the Rights Shares. The Rights Shares to be issued will be listed on the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, save for the Options, the Company had no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, there were no arrangement under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, no share or loan capital of the Company or any members of the Group had been put under option or agreed conditionally or unconditionally to be put under option and no warrant or conversion right affecting the Shares has been issued or granted or agreed conditionally, or unconditionally to be issued or granted, except for the Rights Shares and the 17,792,268 outstanding Options exercisable into 17,792,268 Shares.

3. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed below, as at the Latest Practicable Date, no Directors or chief executive of the Company had or was deemed to have interests or short position in Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Listing Rules, to be notified to the Company and the Stock Exchange:

Long positions in the Shares

Name of Director	Capacity	Interests in Shares	Interests in underlying Shares	Total interests in Shares	Approximate percentage of the issued share capital of the Company
Mr. Lei Hong Wai	Beneficial owner	1,320,000	1,035,559	2,355,559	0.85%
Mr. Chan Kin Wah, Billy	Beneficial owner	1,320,000	1,035,559	2,355,559	0.85%

4. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at the Latest Practicable Date, according to the register of interest kept by the Company under Section 336 of the SFO and so far as was known to the Directors, no other person or companies had an interest or short positions in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

Long positions

Name	Notes	Capacity	Interests in Shares	Interests in underlying Shares	Total interests in Shares	Approximate percentage of the issued share capital of the Company
Thought Diamond International Limited	1	Beneficial owner	56,000,000	—	56,000,000	20.32%
Mr. Cheung Kwok Fan	1	Held by controlled corporation	56,000,000	—	56,000,000	20.32%
Mr. Gu San Guan		Beneficial owner	27,180,000	—	27,180,000	11.80%
Mr. Man Kong Yui		Beneficial owner	26,420,000	—	26,420,000	9.59%
Asia Vest Partners VII Limited	2	Held by controlled corporation	1,294,921	—	1,294,921	9.95%
Asia Vest Partners X Limited	2	Held by controlled corporation	1,294,921	—	1,294,921	9.95%
Asia Vest Partners Limited	2	Held by controlled corporation	1,294,921	—	1,294,921	9.95%

Name	Notes	Capacity	Interests in Shares	Interests in underlying Shares	Total interests in Shares	Approximate percentage of the issued share capital of the Company
Mr. Andrew Nan Sherrill	2	Held by controlled corporation	1,294,921	—	1,294,921	9.95%
The Underwriter	3	Other	1	879,960,951	879,960,952	75.00%
Galaxy Sky Investments Limited	3	Held by controlled corporation	1	879,960,951	879,960,952	75.00%
Eagle Mission Limited	3	Held by controlled corporation	1	879,960,951	879,960,952	75.00%
Active Dynamic Limited	3	Held by controlled corporation	1	879,960,951	879,960,952	75.00%
Ms. Chu Yuet Wah	3	Held by controlled corporation	1	879,960,951	879,960,952	75.00%

Notes:

1. Thought Diamond International Limited is wholly and beneficially owned by Mr. Cheung Kwok Fan.
2. The number of Shares was adjusted for the share consolidations that took effective on 30 April 2008 and 23 April 2009.
3. The Underwriter is wholly owned by Galaxy Sky Investments Limited. Galaxy Sky Investments Limited is 80% owned by Eagle Mission Limited. Eagle Mission Limited is wholly owned by Active Dynamic Limited. Active Dynamic Limited is wholly owned by Ms. Chu Yuet Wah.

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

None of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the date of this circular and which was significant in relation to the business of the Group.

None of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2009, being the date to which the latest published audited consolidated accounts of the Group were made up.

6. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors nor their respective associates had any business or interest that competes or may compete with the business of the Group or any other conflicts of interest with the Group.

7. LITIGATION

As at the Latest Practicable Date, the Group was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

8. SERVICES CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contracts with any member of the Group which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

9. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given opinions and advices, which are contained in this circular:

Name	Qualifications
INCUB	a licensed corporation to conduct type 6 (advising on corporate finance) regulated activity under the SFO
HLB Hodgson Impey Cheng	Chartered Accountants Certified Public Accountants

Each of INCUB and HLB Hodgson Impey Cheng has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letters, references to its name and/or its advice in the form and context in which they respectively appear.

10. EXPERTS' INTERESTS IN ASSETS

As at the Latest Practicable Date, INCUB and HLB Hodgson Impey Cheng:

- (a) were not interested, either directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2009, being the date to which the latest published audited consolidated accounts of the Group were made up; and
- (b) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

11. MISCELLANEOUS

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal office of the Company is situated at Unit 3811, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong.
- (b) The Hong Kong branch share registrar and transfer office of the Company is Tricor Standard Limited, having its office situated at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

- (c) Mr. Chan Kin Wah, Billy, the company secretary of the Company, is a member of the Hong Kong Institute of Certified Public Accountants, a CPA member of CPA Australia and a non-practicing member of the Chinese Institute of Certified Public Accountants. He holds a Bachelor of Administration Degree from University of Ottawa in Canada and a Master of Commerce Degree in Professional Accounting from University of New South Wales in Australia.
- (d) The English text of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts in the case of inconsistency.

12. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date:

- (i) the placing agreement dated 4 November 2008 (as supplemented by a supplemental agreement dated 6 November 2008) entered into between the Company and the Underwriter, pursuant to which the Company has conditionally agreed to place, through the Underwriter, on a best effort basis a maximum of 500,000,000 new shares of HK\$0.01 each in the then share capital of the Company by a maximum of five tranches to independent investors at a price of HK\$0.05 per share;
- (ii) the conditional sale and purchase agreement dated 26 November 2008 entered into between Riche, Mega Shell Services Limited and Golife Concepts Holdings Limited (“Golife”) in relation to the proposed disposal of the entire issued share capital of Shinhan-Golden Faith International Development Limited and World East Investments Limited and two sale loans by Riche for a consideration of HK\$211,466,310 (subject to adjustment);
- (iii) the termination agreement dated 23 December 2008 entered into Legend Rich Limited, an indirect wholly-owned subsidiary of the Company, the Company and China Star Entertainment Limited in relation to the termination of the conditional sale and purchase agreement dated 1 August 2007 relating to the acquisition of a 100% interest in the issued share capital of Exceptional Gain Profit Limited and a sale loan for a consideration of HK\$447 million;
- (iv) the top-up placing agreement dated 29 December 2008 entered into among the Company, the Underwriter and Classical Statue Limited. Pursuant to the top-up placing agreement, Classical Statue Limited has agreed to place, through the Underwriter, 39,000,000 existing shares of HK\$0.01 each in the then issued share capital of the Company beneficially owned by it, on a fully underwritten basis, to not fewer than six independent investors at a price of HK\$0.102 per share. Pursuant to the top-up placing agreement, Classical

- Statue Limited has conditionally agreed to subscribe for 39,000,000 new shares of HK\$0.01 each in the then share capital of the Company at a price of HK\$0.102 per share;
- (v) the underwriting agreement dated 16 February 2009 entered into between the Company and the Underwriter in relation to the proposed issue of not less than 217,093,498 and not more than 367,093,498 new shares of HK\$0.01 each in the then issued share capital of the Company at a subscription price of HK\$0.10 per new share by way of open offer to the qualifying Shareholders for subscription on the basis of one new share for every two existing shares held on the record date;
 - (vi) the conditional loan agreement dated 11 March 2009 entered into between the Company as lender and China Star Entertainment Limited as borrower, pursuant to which the Company had conditionally agreed to make available the loan facility of up to HK\$200 million to China Star Entertainment Limited;
 - (vii) the deed of termination dated 18 March 2009 entered into between Rich Joy Investments Limited and Best Season Holdings Corp., a 75% owned subsidiary of the Group, in relation to the termination of the facility agreement dated 11 May 2007 entered into between Rich Joy Investments Limited and Best Season Holdings Corp. in relation to the revolving facility of up to HK\$200 million;
 - (viii) the undertaking dated 23 April 2009 given by Riche to Golife and the Underwriter relating to (i) subscription for 94,153,552 new shares of Golife at a subscription price of HK\$0.10 per share to which Riche is entitled under the open offer announced by Golife on 23 April 2009; and (ii) not to exercise any of the conversion rights attached to the convertible bonds in an aggregate principal amount of HK\$100 million issued by Golife on or before 8 June 2009;
 - (ix) the subscription agreement dated 23 July 2009 entered into between China Star Entertainment Limited and the Company in respect of subscription of convertible bonds of HK\$200 million issued by China Star Entertainment Limited;
 - (x) the placing and subscription agreement dated 28 August 2009 entered into among the Company, the Underwriter and Classical Statue Limited. Pursuant to the placing and subscription agreement, Classical Statue Limited has agreed to place, through the Underwriter, 22,000,000 existing Shares beneficially owned by it, on a fully underwritten basis, to not less than six independent investors at a price of HK\$0.42 per Share. Pursuant to the placing and subscription agreement, Classical Statue Limited has conditionally agreed to subscribe for 22,000,000 new Shares at a price of HK\$0.42 per Share;

- (xi) the conditional placing agreement dated 12 October 2009 entered into between Simple View Investment Limited, a wholly-owned subsidiary of the Company, and the Underwriter, pursuant to which Simple View Investment Limited has conditionally agreed to place, through the Underwriter, 320,000,000 shares of China Star Entertainment Limited to not fewer than six independent investors at a price of HK\$0.20 per share;
- (xii) the sale and purchase agreement dated 31 March 2010 entered into between Riche and Mr. Man Kong Yui in relation to (i) the sale and purchase of 6,750,000 shares with a par value of HK\$1.00 each in the capital of Hantec Holdings Investment Limited for a consideration of HK\$18 million, which shall be settled by Riche procuring the Company to allot and issue 26,420,000 new Shares credited as fully paid to Mr. Man Kong Yui upon completion; and (ii) the granting of a call option by Riche to Mr. Man Kong Yui to acquire the 6,750,000 shares in Hantec Holdings Investment Limited from Riche for a consideration of HK\$21.6 million within one year from the date of completion;
- (xiii) the joint venture agreement dated 24 June 2010 entered into between Max Winner Investments Limited, a wholly-owned subsidiary of the Company, and Yiu Hing International Limited, pursuant to which Max Winner Investments Limited and Yiu Hing International Limited have agreed to form a joint venture company to engage in organic agricultural business in the People's Republic of China. The joint venture company will be owned as to 50% by Max Winner Investments Limited and as to 50% by Yiu Hing International Limited. The total capital contribution of the joint venture company is HK\$60 million. Each of Max Winner Investments Limited and Yiu Hing International Limited shall contribute HK\$30 million;
- (xiv) the placing agreement dated 12 July 2010 entered into between the Company and the Underwriter, pursuant to which the Company has conditional agreed to place, through the Underwriter on a best effort basis, a maximum of 45,920,000 new Shares to not fewer than six independent investors at a price of HK\$0.55 per Share;
- (xv) The joint venture agreement dated 21 July 2010 entered into between Riche, the JV Co. and Campbell Shillinglaw & Partners (Vietnam) Limited, pursuant to which Riche and Campbell Shillinglaw & Partners (Vietnam) Limited have conditionally agreed to form the JV Co. to proceed with the business of conducting, development and investing into real estate and related projects in Vietnam;

(xvi) the agreement dated 21 July 2010 entered into between the Company and the JV Co. in relation to the grant of the revolving facility of up to HK\$700 million to the JV Co.; and

(xvii) the Underwriting Agreement.

13. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

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
Authorised representatives	Mr. Lei Hong Wai Unit 3811 Shun Tak Centre West Tower 168-200 Connaught Road Central Hong Kong Mr. Chan Kin Wah, Billy Unit 3811 Shun Tak Centre West Tower 168-200 Connaught Road Central Hong Kong
Company secretary	Mr. Chan Kin Wah, Billy Unit 3811 Shun Tak Centre West Tower 168-200 Connaught Road Central Hong Kong

Legal advisers to the Company and in relation to the Rights Issue	<i>As to Hong Kong law:</i> Michael Li & Co. 14/F., Printing House 6 Duddell Street Central Hong Kong <i>As to Bermuda law:</i> Conyers Dill & Pearman 2901, One Exchange Square 8 Connaught Place Central Hong Kong
Auditors and reporting accountants	HLB Hodgson Impey Cheng Chartered Accountants Certified Public Accountants 31/F., Gloucester Tower The Landmark 11 Pedder Street Central Hong Kong
Underwriter	Kingston Securities Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Hong Kong
Principal share registrar and transfer office in Bermuda	HSBC Bank Bermuda Limited 6 Front Street Hamilton HM 11 Bermuda
Branch share registrar and transfer office in Hong Kong	Tricor Standard Limited 26th Floor, Tesbury Centre 28 Queen's Road East Wanchai Hong Kong

Principal banker

Hang Seng Bank Limited
Head Office
83 Des Voeux Road Central
Hong Kong

14. EXPENSES

The expenses in connection with the Right Issue, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$5.52 million, which are payable by the Company.

15. PARTICULARS OF DIRECTORS**(a) Name and address of Directors****Name****Address***Executive Directors*

Mr. Lei Hong Wai (*Chairman*)

Unit 3811
Shun Tak Centre
West Tower
168-200 Connaught Road Central
Hong Kong

Mr. Chan Kin Wah, Billy

Unit 3811
Shun Tak Centre
West Tower
168-200 Connaught Road Central
Hong Kong

Independent non-executive Directors

Mr. Tang Chak Lam, Gilbert

Unit 3811
Shun Tak Centre
West Tower
168-200 Connaught Road Central
Hong Kong

Mr. Hung Hing Man	Unit 3811 Shun Tak Centre West Tower 168-200 Connaught Road Central Hong Kong
Mr. Wan Shing Chi	Unit 3811 Shun Tak Centre West Tower 168-200 Connaught Road Central Hong Kong

(b) Profiles of Directors

Executive Directors

Mr. Lei Hong Wai

Mr. Lei Hong Wai, aged 43, has over eight years of extensive experience in corporate management, investment and business development. He was an executive Director during the period from 28 September 2001 to 13 October 2005. He was a director of The Chamber of Hong Kong Listed Companies Limited, which promotes interaction amongst its members which are listed companies in Hong Kong and the People's Republic of China, in 2002. He was the chairman and an executive director of Brilliant Arts Multi-Media Holding Limited (now known as Xing Lin Medical Information Technology Company Limited) (stock code: 8130), a company listed on the Growth Enterprise Market ("GEM") operated by the Stock Exchange during the period from 10 July 2007 to 24 June 2009.

Mr. Lei does not have any relationship with any Directors or senior management of the Company.

Mr. Lei is not a director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. Chan Kin Wah, Billy

Mr. Chan Kin Wah, aged 47, has over 15 years of experience in the accounting and financial control. He is a member of the Hong Kong Institute of Certified Public Accountants, a CPA member of CPA Australia and a non-practicing member of the Chinese Institute of Certified Public Accountants. He holds a Bachelor of Administration Degree from the University of Ottawa in Canada and a Master of Commerce Degree in Professional Accounting from the University of New South Wales in Australia. He joined the Company as the chief financial officer and the company secretary in September 2003. He is currently an independent non-executive director of Eternite International Company Limited (stock code: 8351), a company listed on the GEM.

Mr. Chan does not have any relationship with any Directors or senior management of the Company.

Mr. Chan is not a director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

*Independent non-executive Directors**Mr. Tang Chak Lam, Gilbert*

Mr. Tang Chak Lam, Gilbert, aged 59, is a practicing solicitor in Hong Kong since 1987 and is a senior partner of Messrs. Gilbert Tang & Co.. He joined the Company in February 2002. He was a director of Pok Oi Hospital in 1993 and a member of the Kowloon West Advisory Committee of Hong Kong Bank Foundation District Community Programme between July 1991 and November 1995. Mr. Tang holds a Bachelor of Law Degree from the University of Buckingham in the United Kingdom, and a Diploma in Chinese Law from the University of East Asia in Macau.

Mr. Tang does not hold any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years prior to the Latest Practicable Date.

Mr. Tang does not have any relationship with any Directors or senior management of the Company.

Mr. Tang is not a director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. Hung Hing Man

Mr. Hung Hing Man, aged 39, is currently a proprietor of a certified public accountant firm and has over 13 years of working experience in the sectors of corporate finance, accounting, auditing and taxation. He holds a Master Degree in Business Administration from University of Western Sydney, Australia. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, an associate member of the Taxation Institute of Hong Kong and a member of the Society of Chinese Accountants and Auditors. He joined the Company in May 2010.

Mr. Hung was an independent non-executive director of SMI Corporation Limited (stock code: 198), a company listed on the Main Board of the Stock Exchange, during the period from 14 July 2009 to 8 December 2009. Mr. Hung is currently an independent non-executive director of China Gamma Group Limited (stock code: 164) and Dynamic Global Holdings Limited (stock code: 231), both companies are listed in the Main Board of the Stock Exchange.

Mr. Hung does not have any relationship with any Directors or senior management of the Company.

Mr. Hung is not a director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. Wan Shing Chi

Mr. Wan Shing Chi, aged 40, has over 16 years of experience in the field of construction engineering and is currently a site coordinator of a reputable construction company in Hong Kong. He holds a Bachelor degree of Engineering with honours from University of Melbourne, Australia and is a member of the Asia Institute of Building. He joined the Company in May 2010.

Mr. Wan does not hold any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years prior to the Latest Practicable Date.

Mr. Wan does not have any relationship with any Directors or senior management of the Company.

Mr. Wan is not a director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company at Unit 3811, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong during normal business hours on any weekday other than public holidays, up to and including the date of the SGM:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the financial years ended 31 December 2007, 2008 and 2009;
- (c) the written consents referred to in the paragraph headed “Expert and Consent” to this Appendix;
- (d) the material contracts referred to in the paragraph headed “Material Contracts” to this Appendix;
- (e) a copy of each of the circulars issued by the Company pursuant to the requirements set out in Chapter 14 and/or 14A of the Listing Rules since 31 December 2009, being the date of the latest published audited accounts of the Company; and
- (f) this circular.

NOTICE OF SPECIAL GENERAL MEETING



ETERNITY INVESTMENT LIMITED

永恒策略投資有限公司*

(Formerly known as China Star Investment Holdings Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

NOTICE IS HEREBY GIVEN that an special general meeting of Eternity Investment Limited (the “**Company**”) will be held at Board Room, 1st Floor, South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong at 4:00 p.m. on Friday, 3 September 2010 for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT** subject to the fulfilment or waiver of the conditions set out in the underwriting agreement (the “**Underwriting Agreement**”) dated 28 July 2010 in respect of the proposed rights issue by the Company and entered into between the Company and Kingston Securities Limited (the “**Underwriter**”) (a copy of the Underwriting Agreement has been produced to the meeting marked “**A**” and signed by the Chairman of the meeting for the purpose of identification):

- (a) the allotment and issue of not less than 826,584,147 new shares and not more than 879,960,951 new shares (the “**Rights Shares**”) of HK\$0.01 each in the share capital of the Company (the “**Shares**”) pursuant to an offer by way of rights to the holders of Shares (the “**Shareholders**”) at the subscription price of HK\$0.40 per Rights Share in the proportion of three Rights Shares for every one existing Share held by the Shareholders whose names appear on the register of members of the Company on Friday, 3 September 2010 (or such later date as the Company and the Underwriter may agree to be the record date for such Rights Issue) (the “**Record Date**”) other than those Shareholders whose addresses on the Record Date are outside Hong Kong (the “**Overseas Shareholders**”) (the “**Rights Issue**”) as described in further detail in a circular issued by the Company dated 20 August 2010 of which the notice convening this meeting forms part and on and subject to such terms and conditions as may be determined by the directors of the Company, be and is hereby approved;

* For identification purpose only

NOTICE OF SPECIAL GENERAL MEETING

- (b) the directors of the Company be and are hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the existing shareholdings of the Shareholders and, in particular, the directors of the Company may make such exclusions or other arrangements in relation to Overseas Shareholders as they deem necessary or expedient having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong, and to do all such acts and things as they consider necessary, desirable or expedient to give effect to any or all other transactions contemplated in this resolution; and
- (c) the directors of the Company be and are hereby authorised to do all acts and things in connection with the allotment and issue of the Rights Shares, the implementation of the Rights Issue and the Underwriting Agreement, the exercise or enforcement of any of the Company's rights under the Underwriting Agreement and to make and agree such variations of the terms of the Underwriting Agreement as they may in their discretion consider to be appropriate and in the interests of the Company."

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

Hong Kong, 20 August 2010

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 form of proxy for use at the meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.

NOTICE OF SPECIAL GENERAL MEETING

3. Any shareholder of the Company entitled to attend and vote at the meeting convened by the above notice shall be entitled to appoint one or if he is the holder of two or more shares, more than one proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding of the above meeting or any adjournment thereof.
5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or at any adjourned meeting and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.