ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

The board of directors (the "Board") of Eternity Investment Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2011 together with the comparative figures for 2010 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2011

	Notes	**2011** ***HK$'000***	2010 *HK$'000*
Turnover	*5*	**79,174**	78,200
Cost of sales		**(14)**	(632)
Gross profit		**79,160**	77,568
Investment and other income	*6*	**15,411**	13,299
Other gains and losses	*7*	**(260,687)**	(420,183)
Administrative expenses		**(21,738)**	(14,366)
Share of results of associates		**—**	(9,371)
Loss from operations	*8*	**(187,854)**	(353,053)
Finance costs	*9*	**—**	(3,041)
Loss before taxation		**(187,854)**	(356,094)
Income tax credit/(expense)	*10*	**32,598**	(363)
Loss for the year		**(155,256)**	(356,457)
Loss attributable to:			
Owners of the Company		**(155,255)**	(356,457)
Non-controlling interests		**(1)**	—
		(155,256)	(356,457)
Loss per share	*11*		
			(Restated)
Basic and diluted		**HK(4.19) cents**	HK (74.68)cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	2011	2010
	HK$'000	*HK$'000*
Loss for the year	**(155,256)**	(356,457)
Other comprehensive income for the year (after tax and reclassification adjustments):		
Net loss arising on the revaluation of available-for-sale financial assets	**(44,780)**	—
Share of exchange reserve change of associates	**—**	(83)
Total comprehensive loss for the year	**(200,036)**	(356,540)
Total comprehensive loss attributable to:		
Owners of the Company	**(200,035)**	(356,540)
Non-controlling interests	**(1)**	—
	(200,036)	(356,540)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2011

	Note	2011 HK$'000	2010 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**630**	1,441
Investment properties		**442,920**	—
Intangible assets		**43,940**	334,681
Interests in associates		**—**	—
Convertible notes receivable		**289,857**	—
Available-for-sale financial assets		**59,132**	53,892
		836,479	390,014
Current assets			
Trade receivables	*12*	**4,844**	5,859
Deposits, prepayments and other receivables		**15,282**	2,456
Amount due from an associate		**2,003**	—
Financial assets at fair value through profit or loss		**47,038**	9,418
Convertible notes receivable		**64,872**	—
Conversion options embedded in convertible notes receivable		**75,282**	—
Tax recoverable		**—**	32
Cash and cash equivalents		**217,632**	989,625
		426,953	1,007,390
Total assets		**1,263,432**	1,397,404
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**79,344**	11,021
Reserves		**1,158,292**	1,333,642
Equity attributable to owners of the Company		**1,237,636**	1,344,663
Non-controlling interest		**(1)**	—
Total equity		**1,237,635**	1,344,663

CONSOLIDATED STATEMENT OF FINANCIAL POSITION ***(continued)***

At 31 December 2011

	Note	**2011**	2010
		HK$'000	*HK$'000*
LIABILITIES			
Current liabilities			
Accruals and other payables		**11,787**	10,872
Trade deposits received		**477**	477
Rental deposits received		**3,113**	—
Tax payable		**3,513**	1,230
		18,890	12,579
Non-current liabilities			
Deferred taxation		**6,907**	40,162
Total liabilities		**25,797**	52,741
Total equity and liabilities		**1,263,432**	1,397,404
Net current assets		**408,063**	994,811
Total assets less current liabilities		**1,244,542**	1,384,825

Notes:

1. **Basis of preparation**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements included applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods. The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The Group's books and records are maintained in Hong Kong Dollars ("HK$") as the directors of the Company control and monitor the performance and financial position of the Group in HK$.

2. **Application of new and revised Hong Kong Financial Reporting Standards**

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA that are effective for the Group's financial year beginning 1 January 2011.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKAS 12 (Amendments)	Deferred tax: Recovery of Underlying Assets
HKAS 24 (as revised in 2009)	Related Party Disclosures
HKAS 32 (Amendments)	Classification of Rights Issues
HK(IFRIC)-Int 14 (Amendments)	Prepayment of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

Except as described below, the adoption of the new and revised HKFRSs has had no material impact effect on the Group's financial performance and positions for the current and prior year and/or the disclosures set out in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Financial Statements (as part of Improvements to HKFRSs issued in 2010)

The amendments to HKAS 1 clarify that an entity may choose to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements. In the current year, for each component of equity, the Group has chosen to present the analysis of each component of other comprehensive income in the consolidated statement of changes in equity.

HKAS 24 Related Party Disclosures (as revised in 2009)

HKAS 24 (as revised in 2009) has been revised on the following two aspects: (a) HKAS 24 (as revised in 2009) has changed the definition of a related party and (b) HKAS 24 (as revised in 2009) introduces a partial exemption from the disclosure requirements for government-related entities.

The Company and its subsidiaries are not government-related entities. The application of the revised definition of related party set out in HKAS 24 (as revised in 2009) in the current year has resulted in the identification of related parties that were not identified as related parties under the previous Standard. Specifically, associates of the ultimate holding company of the Company are treated as related parties of the Group under the revised Standard whilst such entities were not treated as related parties of the Group under the previous Standard. The related party disclosures in the consolidated financial statements have been changed to reflect the application of the revised Standard. Changes have been applied retrospectively.

Amendments to HKAS 32 Classification of Rights Issues

The amendments to HKAS 32 require rights, options or warrants issued by an entity for the holders to acquire a fixed number of the entity's equity instruments for a fixed amount of any currency are classified as equity instruments in the financial statements of the entity provided that the offer is made pro rata to all of its existing owners of the same class of its non-derivative equity instruments. Before the amendments to HKAS 32, rights, options or warrants to acquire a fixed number of an entity's equity instruments for a fixed amount in foreign currency were classified as derivatives. The amendments require retrospective application.

The application of the amendments to HKAS 32 has had no impact on the Group's financial performance and positions for the current and prior years because the Group has not issued instruments of this nature.

Amendments to HK(IFRIC)—Int 14 Prepayments of a Minimum Funding Requirement

The Interpretation addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of HKAS 19; how minimum funding requirements might affect the availability of reductions in future contributions; and when minimum funding requirements might give rise to a liability. The amendments now allow recognition of an asset in the form of prepaid minimum funding contributions. The application of the amendments has not had material effect on the Group's consolidated financial statements.

HK(IFRIC)—Int 19 Extinguishing Financial Liabilities with Equity Instruments

The Interpretation gives guidance on the accounting for the extinguishment of financial liabilities with equity instruments. Specifically, under HK (IFRIC)—Int 19, equity instruments issued under in order to extinguish financial liabilities are recognised initially at their fair value, with any difference between the carrying amount of the financial liability extinguished and the consideration paid will be recognised in profit or loss.

The application of HK (IFRIC)—Int 19 has had no effect on the Group's financial performance and positions for the current and prior years because the Group has not entered into any transactions of this nature.

Amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets

The Group has early adopted HKAS 12 (Amendments) which is effective for annual periods beginning on or after 1 January 2012.

The amendments to HKAS 12 introduce a presumption that an investment property measured at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Prior to the amendments, deferred taxation on investment properties at fair value is measured to reflect the tax consequences of recovering the carrying amounts of investment properties through use. Therefore, based on the amendments, the Group's investment properties in Hong Kong do not have to provide deferred tax on fair value changes arising from revaluation of investment properties or arising from a business combination, unless the presumption is rebutted. There is no investment property in prior period. Accordingly, no prior period adjustment has been required.

Save as described above, there is no material effect on the consolidated financial statements of the Group for the current or prior accounting periods by adopting the new HKFRSs, thus no prior period adjustment has been required.

3. New and revised Standards, amendments and interpretations in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[2]
Amendments to HKFRS 1	Severe Hyperinflation and Removal of Fixed Date for First-time Adopters[1]
Amendments to HKFRS 7	Disclosures — Transfers of Financial Assets[1]
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilites[3]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[5]
HKAS 19 (as revised in 2011)	Employee Benefits[3]
HKAS 27 (as revised in 2011)	Separate Financial Statements[3]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[3]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilites[4]
HKFRS 9	Financial Instruments[5]
HKFRS 10	Consolidated Financial Statements[3]
HKFRS 11	Joint Arrangements[3]
HKFRS 12	Disclosures of Interests in Other Entities[3]
HKFRS 13	Fair Value Measurement[3]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[3]

1 Effective for annual periods beginning on or after 1 July 2011.
2 Effective for annual periods beginning on or after 1 July 2012.
3 Effective for annual periods beginning on or after 1 January 2013.
4 Effective for annual periods beginning on or after 1 January 2014.
5 Effective for annual periods beginning on or after 1 January 2015.

Amendments to HKFRS 7 Disclosures — Transfers of Financial Assets

The amendments to HKFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors anticipate that the application of the amendments to HKFRS 7 will affect the Group's disclosures regarding transfers of financial assets in the future.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt HKFRS 9 after 1 January 2015.

The directors anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

New and revised Standards on consolidation, joint arrangements, associates and disclosure was issued, including HKFRS 10, HKFRS 11, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011)

Key requirements of these four Standards are described below:

In June 2011, a package of four Standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK (SIC)—Int 12 Consolidation – Special Purpose Entities. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures and HK (SIC)—Int 13 Jointly Controlled Entities - Non-Monetary Contributions by Venturers. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

These four standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these four standards are applied early at the same time.

The directors anticipate that these four Standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The application of these four Standards may have significant impact on amounts reported in the consolidated financial statements. The application of HKFRS 10 may result in the Group no longer consolidating some of its investees, and consolidating investees that were not previously consolidated (e.g. the Group's investment in associates may become the Group's subsidiaries based on the new definition of control and the related guidance in HKFRS 10). In addition, the application of HKFRS 11 may result in changes in the accounting of the Group's jointly controlled entities that are currently accounted for using proportionate consolidation. Under HKFRS 11, those jointly controlled entities will be classified as a joint operation or joint venture, depending on the rights and obligations of the parties to the joint arrangement. However, the directors have not yet performed a detailed analysis of the impact of the application of these Standards and hence have not yet quantified the extent of the impact.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. HKFRS 13 defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current Standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosures will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of HKFRS 13 may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

HKAS 19 (as revised in 2011) Employee Benefits

The amendments to HKAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of HKAS 19. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to HKAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions. The directors anticipate that the amendments to HKAS 19 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the amendments to HKAS 19 may have impact on amounts reported in respect of the Group's defined benefit plans. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

HKAS 32 Amendments clarify the requirements for offsetting financial instruments. The amendments address inconsistencies in current practice when applying the offsetting criteria and clarify the meaning of "currently has a legally enforceable right of set-off" and some gross settlement systems may be considered equivalent to net settlements. The Group expects to adopt the amendments from 1 January 2014. The application of these amendments is unlikely to have any material financial impact on the Group.

HK(IFRIC)—Int 20 Stripping Costs in the Production Phase of a Surface Mine

HK(IFRIC)—Int 20 addresses the recognition of waste removal costs that are incurred in surface mining activity during the production phase of a mine as an asset, as well as the initial measurement and subsequent measurement of the stripping activity asset. To the extent that the benefit from the stripping activity is realised in the form of inventory produced, the costs incurred are accounted for in accordance with HKAS 2 Inventories. To the extent that the benefit is improved access to ore and when criteria set out in the interpretation are met, the waste removal costs are recognised as a stripping activity asset under non-current assets. The interpretation has no financial impact on the Group.

Save as described above, the directors anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

4. Operating segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

For management purposes, the Group currently engages in four operating divisions – (i) distribution; (ii) property investment; (iii) sales of financial assets and (iv) provision of management services. The segmentations are based on the information about the operations of the Group that management uses to make decisions.

Principal activities are as follows:

(i)	Distribution	Distribution of films and sub-licensing of film rights
(ii)	Property investment	Leasing of rental properties
(iii)	Sales of financial assets	Sales of financial assets at fair value through profit or loss
(iv)	Provision of management services	Provision of management services to concierge departments of gaming promoters appointed by Macau casinos

The Group's reportable segments are strategic business units that operate different activities. They are managed separately because each business unit has different marketing strategies.

Further, the business units are also managed to operate in different countries separately. Revenue and results are attributed to countries on the basis of the assets located.

An analysis of the Group's reportable segment results, assets, liabilities and other selected financial information for the year by operating segment is as follow:

For the year ended 31 December 2011

	Distribution	Property investment	Sales of financial assets	Provision of management services	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue					
Revenue from external customers	—	281	—	78,893	79,174
Results					
Segment results for reportable segment	—	267	—	78,893	79,160
Investment and other income					15,411
Administrative expenses					(21,738)
Finance costs					—
Share of results of associates					—
Profit before taxation					72,833
Income tax credit					32,598
Core profit for the year (excluding major non-cash items)					105,431
Major non-cash items					
— Gain arising on change in fair value of conversion options embedded in convertible notes receivable					262
— Gain arising on change in fair value of investment properties					1,412
— Gain on a bargain purchase					52,837
— Gain on disposal of subsidiaries					422
— Imputed interest income on convertible notes receivable					18,478
— Impairment loss recognised in respect of intangible assets					(290,741)
— Impairment loss recognised in respect of property, plant and equipment					(467)
— Loss arising on change in fair value of financial assets at fair value through profit or loss					(42,772)
— Written off of property, plant and equipment					(118)
					(155,256)

For the year ended 31 December 2011

	Distribution *HK$'000*	Property investment *HK$'000*	Sales of financial assets *HK$'000*	Provision of management services *HK$'000*	Consolidated *HK$'000*
Assets and liabilities					
Assets					
Segment assets for reportable segment					
— Hong Kong	411	446,219	124,419	—	571,049
— Macau	—	—	—	48,785	48,785
	411	446,219	124,419	48,785	619,834
Unallocated corporate assets					643,598
Consolidated total assets					1,263,432
Liabilities					
Segment liabilities for reportable segment					
— Hong Kong	(578)	(5,194)	(542)	—	(6,314)
— Macau	—	—	—	(5,273)	(5,273)
	(578)	(5,194)	(542)	(5,273)	(11,587)
Unallocated corporate liabilities					(14,210)
Consolidated total liabilities					(25,797)

	Distribution *HK$'000*	Property investment *HK$'000*	Sales of financial assets *HK$'000*	Provision of management services *HK$'000*	Consolidated *HK$'000*
Other segment information					
Depreciation and amortisation					
— reportable segment	—	—	226	—	226
— unallocated expenses					2
					228
Additions to non-current assets (other than financial instruments and deferred tax assets)	—	442,920	—	—	442,920

For the year ended 31 December 2010

	Distribution *HK$'000*	Property investment *HK$'000*	Sales of financial assets *HK$'000*	Provision of management services *HK$'000*	Consolidated *HK$'000*
Revenue					
Revenue from external customers	—	—	4,590	73,610	78,200
Results					
Segment results for reportable segment	—	—	4,590	72,978	77,568
Investment and other income					13,299
Administrative expenses					(14,366)
Finance costs					(3,041)
Share of results of associates					(9,371)
Profit before taxation					64,089
Income tax expense					(363)
Core profit for the year (excluding major non-cash items)					63,726
Major non-cash items					
— Gain arising on change in fair value of conversion options embedded in convertible notes receivable					1,525
— Gain arising on change in fair value of financial assets at fair value through profit or loss					4,918
— Gain arising on early repayment of convertible notes receivable					75,962
— Gain arising on early repayment of promissory note receivable					64,627
— Gain on disposal of available-for-sale financial assets					7,579
— Impairment loss recongised in respect of available-for-sale financial assets					(14,280)
— Impairment loss recognised in respect of intangible assets					(4,856)
— Imputed interest income on convertible notes receivable					527
— Imputed interest income on promissory note receivable					3,520
— Loss on deemed disposal of an associate					(537,615)
— Loss on early redemption of convertible notes payable					(1,062)
— Loss on losing significant influence of an associate					(21,028)
					(356,457)

For the year ended 31 December 2010

	Distribution HK$'000	Property investment HK$'000	Sales of financial assets HK$'000	Provision of management services HK$'000	Consolidated HK$'000
Assets and liabilities					
Assets					
Segment assets for reportable segment					
— Hong Kong	420	—	99,989	—	100,409
— Macau	—	—	—	340,540	340,540
	420	—	99,989	340,540	440,949
Unallocated corporate assets					956,455
Consolidated total assets					1,397,404
Liabilities					
Segment liabilities for reportable segment					
— Hong Kong	(478)	—	(523)	—	(1,001)
— Macau	—	—	—	(40,162)	(40,162)
	(478)	—	(523)	(40,162)	(41,163)
Unallocated corporate liabilities					(11,578)
Consolidated total liabilities					(52,741)

	Distribution HK$'000	Property investment HK$'000	Sales of financial assets HK$'000	Provision of management services HK$'000	Consolidated HK$'000
Other segment information					
Depreciation and amortisation					
— reportable segment	—	—	362	—	362
— unallocated expenses					61
					423
Additions to non-current assets (other than financial instruments and deferred tax assets)					
— unallocated expenses					26

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year (2010: Nil).

Segment results represent profit earned by each segment without allocation of central administrative expenses including directors' remuneration, share of results of associates, investment and other income, other gains and losses, finance costs and income tax credit/(expense). This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than goodwill, convertible notes receivable, conversion options embedded in convertible notes receivable, amount due from an associate and certain cash and cash equivalents that are not attributable to individual segments. Assets used jointly by segments are allocated on the basis of the revenues earned by individual segments; and

- all liabilities are allocated to reportable segments other than current tax liabilities and other financial liabilities that are not attributable to individual segments. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

Geographical information

The Group mainly operates in Hong Kong and Macau. The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		**Non-current assets**	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**281**	4,590	**792,539**	55,333
Macau	**78,893**	73,610	**43,940**	334,681
	79,174	78,200	**836,479**	390,014

Information about major customers

Included in revenues arising from provision of management services of HK$78,893,000 (2010: HK$73,610,000) are revenues of HK$73,743,000 (2010: HK$60,295,000) which arose from services fee income received and receivable from the Group's largest customer.

5. Turnover

	2011	2010
	HK$'000	*HK$'000*
Sales of financial assets at fair value through profit or loss, net *(note)*	**—**	4,590
Rental income	**281**	—
Services fee income	**78,893**	73,610
	79,174	78,200

Note:

The gains from sales of financial assets at fair value through profit or loss are recorded in "turnover" on a net basis.

An analysis of sales of financial assets at fair value through profit or loss is as follows:

	2011	2010
	HK$'000	*HK$'000*
Proceeds from sales of financial assets at fair value through profit or loss	—	10,521
Cost of financial assets at fair value through profit or loss	—	(5,931)
	—	4,590

6 Investment and other income

	2011	2010
	HK$'000	*HK$'000*
Dividend income	**8,844**	3,504
Compensation for lapse of joint venture agreement	—	1,500
Compensation for shortfall in services fee income guarantee	—	4,938
Interest income on bank deposits	**5,820**	2,992
Sundry income	**747**	365
	15,411	13,299

7. Other gains and losses

	2011	2010
	HK$'000	*HK$'000*
Gain arising on change in fair value of conversion options embedded in convertible notes receivable	**262**	1,525
Gain arising on change in fair value of investment properties	**1,412**	—
Gain arising on early repayment of promissory note receivable	—	64,627
Gain arising on early repayment of convertible notes receivable	—	75,962
Gain on a bargain purchase	**52,837**	—
Gain on disposal of available-for-sale financial assets	—	7,579
Gain on disposal of subsidiaries	**422**	—
Imputed interest income on:		
— convertible notes receivable	**18,478**	527
— promissory note receivable	—	3,520
Impairment loss recognised in respect of available-for-sale financial assets	—	(14,280)
Impairment loss recognised in respect of intangible assets	**(290,741)**	(4,856)
Impairment loss recognised in respect of property, plant and equipment	**(467)**	—
(Loss)/gain arising on change in fair value of financial assets at fair value through profit or loss	**(42,772)**	4,918
Loss on deemed disposal of an associate	—	(537,615)
Loss on early redemption of convertible notes payable	—	(1,062)
Loss on losing significant influence of an associate	—	(21,028)
Written off of property, plant and equipment	**(118)**	—
	(260,687)	(420,183)

8. Loss from operations

Loss from operations has been arrived after charging:

	2011	2010
	HK$'000	*HK$'000*
Auditors' remuneration	**680**	600
Amortisation of intangible assets	**2**	—
Depreciation of property, plant and equipment	**226**	423
Share-based payment expenses in respect of consultancy services	**—**	671
Operating lease rentals in respect of rental premises	**2,592**	2,845
Staff costs including directors' remuneration		
— salaries and other allowances	**4,140**	1,779
— contributions to retirement benefits scheme	**77**	45
— share-based payment expenses	**1,300**	1,639
	5,517	3,463

9. Finance costs

	2011	2010
	HK$'000	*HK$'000*
Imputed interest expense on convertible notes payable	**—**	3,041

10. Income tax credit/(expense)

Income tax recognised in consolidated income statement:

	2011	2010
	HK$'000	*HK$'000*
Current tax expense	**(2,283)**	(531)
Deferred taxation	**34,881**	168
	32,598	(363)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year.

No provision for Macao Complementary Profits Tax has been made for the year ended 31 December 2011 (2010: Nil) as the Group has no estimated assessable profits.

11. Loss per share

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2011	2010
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company	**(155,255)**	(356,457)

	2011	2010
	'000	*'000*
		(Restated)
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**3,709,418**	477,311

The weighted average number of shares for the purposes of calculating basic and diluted loss per share for both years has been adjusted to reflect the open offer occurred during the year.

Diluted loss per share for the years ended 31 December 2011 and 2010 were the same as the basic loss per share. The Company's outstanding share options were not included in the calculation of diluted loss per share because the effects of the exercise of the Company's outstanding share options were anti-dilutive.

12. Trade receivables

	2011	2010
	HK$'000	*HK$'000*
0-30 days	**4,844**	5,859
31-60 days	**—**	—
61-90 days	**—**	—
Over 90 days	**396**	396
	5,240	6,255
Less: Impairment loss recognised	**(396)**	(396)
	4,844	5,859

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2011 (2010: Nil). No interim dividend was paid during the year (2010: HK$0.03 per share).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Results of operations

The Group recorded a turnover of HK$79,174,000 for the year ended 31 December 2011, a 1.25% increase from HK$78,200,000 for the previous year. Of the total turnover amount, HK$78,893,000 was generated from provision of management services and HK$281,000 was generated from property investment. Loss attributable to owners of the Company for the year ended 31 December 2011 amounted to HK$155,255,000. The incurring of a loss for the year was mainly attributable to the recognition of an impairment loss in respect of intangible assets of HK$290,741,000 and a loss arising on change in fair value of financial assets at fair value through profit or loss of HK$42,772,000, which were partly offset by a gain on a bargain purchase of HK$52,837,000 and an income tax credit of HK$32,598,000.

Cost of sales for the year ended 31 December 2011 amounted to HK$14,000, which is wholly related to property investment. No cost of sales for provision of management services was recorded as the Group had ceased to operate the concierge services centre at Shun Tak Centre in order to improve its cost structure.

Investment and other income increased by 15.88% from HK$13,299,000 in the year ended 31 December 2010 to HK$15,411,000 in the year ended 31 December 2011. This increase was mainly attributable to the increases in dividend income and interest income on bank deposits.

Other gains and losses mainly represent gains and losses arising on change in fair value of assets and impairment losses of assets. Major items of other gains and losses recorded during the year ended 31 December 2011 are as follows:

(a) The directors reassessed the recoverable amounts of management services agreements held by the Group at the end of financial year with reference to the valuations performed by an independent firm of professional valuers and, in light of the management services agreement with Dore Entretenimento Sociedade Unipessoal Limitada (“Dore”), a licensed gaming promoter for Wynn Macau, being terminated on 12 September 2012, an impairment loss on intangible assets of HK$290,741,000 was recognised.

(b) At the end of financial year, the directors reassessed the fair value of investment properties held by the Group with reference to the property valuations performed by independent firms of professional valuers and a gain arising on change in fair value of investment properties of HK$1,412,000 was recognised.

(c) In the second half of 2011, the Group subscribed for the first tranche of convertible notes of HK$350,000,000 issued by China Star Entertainment Limited ("China Star", stock code: 326) and the convertible notes of HK$75,000,000 issued by Culture Landmark Investment Limited ("Culture Landmark", stock code: 674). Accordingly, the Group recognised an imputed interest income on convertible notes receivable of HK$18,478,000.

(d) On 23 December 2011, the Group acquired the entire issued share capital of Adelio Holdings Limited ("Adelio") at a cash consideration of HK$262,022,000. As the net fair value of the identifiable assets and liabilities of Adelio and its subsidiaries (the "Adelio Group") exceeds the cost of acquisition by HK$52,837,000, the Group recognised a gain on a bargain purchase of HK$52,837,000.

(e) Due to a downturn in Hong Kong equities in the second half of 2011, the Group recognised a loss arising on change in fair value of financial assets at fair value through profit or loss of HK$42,772,000.

Administrative expenses (before amortisation and depreciation) amounted to HK$21,510,000 for the year ended 31 December 2011, a 54.27% increase from HK$13,943,000 for the previous year. This increase was mainly attributable to an increase in legal and professional fees resulted from increased corporation activities in acquisitions and fund raising and an increase in directors' remuneration.

During the year ended 31 December 2011, Spark Concept Group Limited ("Spark Concept"), an associate company of the Group engaging in food and beverage business in Hong Kong, and its subsidiaries (the "Spark Concept Group") contributed a loss of HK$49 to the Group.

For the year ended 31 December 2011, the Group recorded an income tax credit of HK$34,889,000 relating to the release of deferred tax liabilities arising from impairment loss in respect of intangible assets, which was partly offset by the current tax expense of HK$2,283,000 and a deferred tax expense of HK$8,000.

Liquidity and financial resources

During the year ended 31 December 2011, the Group funded its operations through a combination of cash generated from operations, equity attributable to owners of the Company and issue of new shares. Equity attributable to owners of the Company decreased from HK$1,344,663,000 at 31 December 2010 to HK$1,237,636,000 at 31 December 2011.

At 31 December 2011, the cash and cash equivalents of the Group amounted to HK$217,632,000 (31 December 2010: HK$989,625,000). The decrease in cash and cash equivalents was mainly attributable to the subscription of the first tranche of convertible notes of HK$350,000,000 issued by China Star, the payment of special dividend of HK$198,359,000, the payment of consideration of HK$262,022,000 for acquiring the entire issued share capital of Adelio, the repayment of promissory note payable to Lafe Corporation Limited of HK$118,000,000 and the subscription of the convertible notes of HK$75,000,000 issued by Culture Landmark, which were partly offset by the net proceeds from the Company's fund raising activities of HK$290,067,000.

At 31 December 2011, the Group had no borrowings.

Net current assets and current ratio

At 31 December 2011, the Group's net current assets and current ratio were HK$408,063,000 (31 December 2010: HK$994,811,000) and 22.60 (31 December 2010: 80.09), respectively.

Capital structure

During the year ended 31 December 2011, the capital structure of the Company had the following changes:

(a) On 17 June 2011, the Company issued 220,280,000 new shares at a price of HK$0.135 per new share by way of top-up placing under general mandate raising HK$29,378,000 (net of expenses) for financing the proposed acquisition of the entire issued share capital of Adelio.

(b) On 14 July 2011, the Company increased its authorised share capital from HK$20,000,000 to HK$100,000,000 by the creation of an additional 8,000,000,000 new shares of HK$0.01 each.

(c) On 15 August 2011, the Company issued 6,611,960,980 new shares at a subscription price of HK$0.04 per new share by way of open offer to the qualifying shareholders of the Company on the basis of five new shares for every one existing share held on 25 July 2011 raising HK$260,689,000 (net of expenses) for financing the proposed acquisition of the entire issued share capital of Adelio.

(d) On 13 December 2011, the entire amount of HK$482,493,000 standing to the credit of the share premium account at 31 December 2010 was cancelled and such credit amount was applied to the contributed surplus account where it was utilised by the board of directors in accordance with the bye-laws of the Company and all applicable laws to eliminate the audited accumulated losses of HK$491,790,000 at 31 December 2010 entirely.

Material acquisitions

During the year ended 31 December 2011, the Group had the following material acquisitions:

(a) On 29 June 2011, the Group subscribed for 200,000,000 new shares in China Star at a subscription price of HK$0.25 per new share to which the Group was entitled to under the rights issue as announced by China Star on 29 March 2011. The subscription price for the 200,000,000 new shares in China Star amounted to HK50,000,000.

(b) On 7 July 2011, the Group subscribed for the first tranche of convertible notes of HK$350,000,000 issued by China Star. The convertible notes are unsecured, interest bearing at 8% per annum and maturing on 6 July 2016. The convertible notes entitle the holder thereof to convert the outstanding principal amount of the convertible notes into new shares of China Star at an adjusted conversion price of HK$0.36 per share (subject to further adjustment).

(c) On 23 December 2011, the Group acquired the entire issued share capital of Adelio at a cash consideration of HK$262,022,000. The principal assets of the Adelio Group are the whole of 1st floor and the flat roof, the whole of 6th to 12th floors, roof, external walls, two lavatories, three lorry parking spaces and eight private car parking spaces on the ground floor of an industrial building located in Kwun Tong, Kowloon, Hong Kong (the "Kwun Tong Property") with a total gross floor area of approximately 139,412 square feet exclusive of lavatories, car parking spaces, flat roof and roof.

(d) On 29 December 2011, the Group subscribed for the convertible notes of HK$75,000,000 issued by Culture Landmark. The convertible notes are unsecured, interest bearing at 12% per annum and maturing on 28 December 2012. The convertible notes entitle the holder thereof to convert the outstanding principal amount of the convertible notes into new shares of Culture Landmark at an initial conversion price of HK$0.08 per share (subject to adjustment).

Material disposals

During the year ended 31 December 2011, the Group had no material disposals.

Pledge of assets

At 31 December 2011, no assets of the Group were pledged.

Commitments

At 31 December 2011, the Group had a material commitment relating to the subscription of the second tranche of convertible notes to be issued by China Star in the principal amount of HK$300,000,000 pursuant to the conditional subscription agreement dated 21 January 2011.

The subscription of the second tranche of convertible notes is conditional upon the fulfillment of the conditions precedent set out in the conditional subscription agreement, including the availability of sufficient fund by the Company, and shall be taken place on or before 30 June 2012 (or such other date as may be agreed by the Company and China Star in writing).

Exchange risk and hedging

During the year ended 31 December 2011, the majority of the Group's transactions, assets and liabilities are denominated in Hong Kong dollars. Accordingly, no financial instruments for hedging purposes have been used by the Group.

Contingent liabilities

At 31 December 2011, the Group had a material contingent liability relating to a claim brought by China Finance & Assets Management Limited ("CFAM") in the High Court Action No. 526 of 2010 against Rexdale Investment Limited, a wholly owned subsidiary of the Company, for failing to pay a service fee in the sum of HK$25,000,000 to CFAM.

No provision for the claim was made in the consolidated financial statements of the Group for the year ended 31 December 2011 as Lafe Corporation Limited has undertaken to indemnify and keep indemnified the Group against any and all losses, claims, damages, penalties, actions, demands, proceedings, judgment and costs arising from or in connection with the claim.

Employees and remuneration policy

At 31 December 2011, the headcount of the Group was 12 (2010: 10). Staff costs (including directors' remuneration) amounted to HK$5,517,000 (2010: HK$3,463,000). In addition to basic salaries, mandatory provident fund and discretionary bonus, staff benefits include medical scheme and share options.

Operations Review

During the year ended 31 December 2011, no revenue was generated from the Group's film distribution business as the Group was not able to secure quality films at reasonable prices for distribution.

Hong Kong equities had a volatile and disappointing year in 2011. By the year end, the Hang Seng Index had fallen 20%. Equity investors in 2011 not only had to face an ever-changing European sovereign debt crisis and a seemingly intractable political situation in the United States, but also a couple of devastating natural disasters and stubbornly high inflation throughout Asia. During the year, the Group recorded a loss arising on change in fair value of HK$42,772,000 for its sale of financial assets business.

During the year ended 31 December 2011, the Group's provision of management services business generated services fee income amounted to HK$78,893,000, a 7.18% increase as compared to the previous year. This increase was mainly due to a strong growth in Macau VIP gaming revenue in 2011. The directors believe that such strong growth was leaded by the increases in bet sizes and income of China citizens. Having performed a cost and benefit analysis, the Group has ceased to operate the concierge services centre at Shun Tak Centre in order to improve its cost structure.

On 12 September 2011, the Group was informed by Dore that the management services agreement dated 30 June 2008 entered into between the Group and Dore would be terminated on 12 September 2012. Given that the services fee income generated from the management services agreement represents a substantial portion of the revenue of the Group's provision of management services business, it is expected that there will be a substantial decrease in the revenue of the Group's provision of management services business from 12 September 2012. In view of the management services agreement being terminated on 12 September 2012, the Group recognised an impairment loss on intangible assets of HK$290,741,000. Upon the termination of the management services agreement with Dore becoming effective on 12 September 2012, the Group shall continue to carry out the business of provision of management services to the concierge department of gaming promoter pursuant to the remaining management services agreement held by it.

With a view to improve profitability and diversify revenue sources, the Group expanded into property investment business by entering into the following two transactions:

(a) On 26 October 2011, the Group acquired the entire issued share capital of Dynamic Eagle Investments Limited at a cash consideration of HK$6,500,000. The principal assets of Dynamic Eagle Investments Limited are a residential property together with a car parking space located in Tseung Kwan O, New Territories, Hong Kong. The Group intends to hold the residential property and the car parking space as investment properties for resale purpose.

(b) On 23 December 2011, the Group acquired the entire issued share capital of Adelio at a cash consideration of HK$262,022,000. The principal asset of the Adelio Group is the Kwun Tong Property. The Group intends to hold the Kwun Tong Property as an investment property for resale purpose. A property agent has been appointed as the sole and exclusive agent responsible for the marketing activities in selling the Kwun Tong Property in whole or in part. Sale enquiries have been received by the property agent but no sale negotiations have been taken place up to the date of this annual results announcement.

At 31 December 2011, the occupancy rate calculated in gross floor area of the Kwun Tong Property was 90%. Subsequent to the year end date, the occupancy rate dropped from 90% to 37% due to the non-renewal of certain tenancy agreements upon their expiry. Marketing activities have been carried out for leasing the vacant area of the Kwun Tong Property to maximise ongoing rental income for the Group.

On 6 July 2011, Advance Top Limited, a then wholly owned subsidiary of the Company, obtained the sole and exclusive right and master license relating to establish, operate, manage the franchise business of selling noodles, drinks and related Japanese food products from a Japanese Corporation. The sole and exclusive right and master license is for a period of ten years until 14 July 2021 covering the Greater China Region. On 15 December 2011, the Group entered into an arrangement with an independent third party in which the Group sold the entire issued share capital of Advance Top Limited to Spark Concept at a cash consideration of HK$1 and then acquired 49% equity interest in Spark Concept from the independent third party at a cash consideration of HK$49. Upon completion of the arrangement, Spark Concept is owned as to 51% by the independent third party and as to 49% by the Group and has three operating arms in Hong Kong, which are a fine dining business, a wine trading business and a Japanese noodles business. As the independent third party has professional expertise in food and beverage and managing restaurants in Hong Kong, the directors consider that such arrangement enables the Group to expand and manage its investment in food and beverage business in an effective manner. Such arrangement resulted a gain on disposal of subsidiaries of HK$422,000 to the Group. The fine dining business and the wine trading business have been in operation with a positive operating cash flow in the year ended 31 December 2011. In December 2011, the Spark Concept Group has commenced pre-operating activities, including sourcing ingredients of noodles and seeking suitable location for noodle shop, for opening up a Japanese noodle shop. As the Group owns 49% equity interest in Spark Concept, the financial results of Spark Concept are accounted for by the Group under equity method of accounting. For the year ended 31 December 2011, the Spark Concept Group recorded a loss of HK$427,000. Given that the Group's investment cost in Spark Concept amounted to HK$49, the Group's share of loss of associate for the year ended 31 December 2011 was limited to HK$49.

On 29 June 2011, the Group subscribed for 200,000,000 new shares in China Star at a subscription price of HK$0.25 per new share to which the Group was entitled to under the rights issue as announced by China Star on 29 March 2011. The reasons for the Group to subscribe for the 200,000,000 new shares in China Star are to maintain its substantial level of shareholding interest in China Star and facilitate the rights issue for raising additional capital to strengthen China Star's capital base. As a result of the subscription, the number of shares in China Star held by the Group increased from 68,000,000 (adjusted for the capital reorganisation of China Star becoming effective on 9 May 2011) to 268,000,000, representing approximately 13.64% of the issued share capital of China Star. As the closing price per share in China Star dropped to HK$0.22 on 30 December 2011, a loss arising on the revaluation of available-for-sale financial assets of HK$44,780,000 was recognised in the consolidated statement of comprehensive income.

For the purpose of creating a fixed income portfolio, the Group subscribed for the following two convertible notes during the year ended 31 December 2011:

(a) On 7 July 2011, the Group subscribed for the first tranche of convertible notes of HK$350,000,000 issued by China Star pursuant to the conditional subscription agreement dated 21 January 2011. The convertible notes are unsecured, interest bearing at 8% per annum and maturing on 6 July 2016, which is the fifth anniversary of the date of their issue. The convertible notes carry rights entitling the holder thereof to convert their principal amount into new shares in China Star at an adjusted conversion price of HK$0.36 per share (subject to further adjustment).

(b) On 29 December 2011, the Group subscribed for the convertible notes of HK$75,000,000 issued by Culture Landmark. The convertible notes are unsecured, interest bearing at 12% per annum and maturing on 28 December 2012. The convertible notes carry rights entitling the holder thereof to convert their principal amount into new shares in Culture Landmark at an initial conversion price of HK$0.08 per share (subject to adjustment).

The directors consider that the subscription for the two convertible notes enables the Group to participate in the development of China Star and Culture Landmark and provides the Group with the flexibility to be benefited from the interest income as well as the upside of the share price performance of China Star and Culture Landmark through conversion of part or whole of the convertible notes into shares in China Star and Culture Landmark as and when the Group considers appropriate.

Pursuant to the conditional subscription agreement dated 21 January 2011 and entered into between the Company and China Star, the completion of subscription of the second tranche of convertible notes of HK$300,000,000 shall take place on or before 30 June 2012 (or such other date as may be agreed by the Company and China Star in writing). The subscription of the second tranche of convertible notes is conditional upon the fulfillment of the conditions precedent set out in the conditional subscription agreement, including the availability of sufficient fund by the Company. Please refer to the Company's circular dated 25 May 2011 for more details.

Future Prospects

The directors believe that the challenge for 2012 is finding a solution to the European sovereign debt crises that supports European banks without severely hampering the European economy. Given that economic and market uncertainty remains very high while consumer and investor confidence is correspondingly low, market volatility is likely to remain high in 2012. As such, the Group adopts a more conservative attitude towards its sale of financial assets business.

As the termination of the management services agreement with Dore becomes effective on 12 September 2012, there will be a substantial decrease in the revenue of the Group's provision of management services business for the year ending 31 December 2012. Given that the Group has expertise in provision of management services available, the directors are actively exploring opportunities in providing management services to the concierge departments of other gaming promoters in Macau in order to revitalise the Group's provision of management services business.

In the second half of 2011, the Group has successfully expanded into property investment business by acquiring the Kwun Tong Property and the residential property together with the car parking space in Tseung Kwan O, New Territories, Hong Kong. Marketing activities have been carried out to improve the occupancy rate of the Kwun Tong Property in order to maximise ongoing rental income to the Group. For the residential property and the car parking space, the Group intends to sell it for a capital gain as and when appropriate.

To broaden its business portfolio and revenue sources, the Group acquired a money lender business in January 2012. The Group will continue to cautiously monitor the business environment, focus on its existing business, implement prudent cost control strategies and identify potential investment opportunities to maximise the returns of the Company's shareholders.

Events after the Reporting Period

Subsequent to 31 December 2011, the Group had the following material events:

(a) On 5 January 2012, Wingo Consultants Limited (now known as Eternity Finance Group Limited), a wholly owned subsidiary of the Company, acquired the entire issued shares in and the sale loan due by Hong Kong Builders Finance Limited from Koffman Financial Group Limited, an independent third party, at a cash consideration of HK$33,069,172. Hong Kong Builders Finance Limited is carrying on a business as a money lender in Hong Kong.

(b) On 7 March 2012, Dynamic Eagle Investments Limited, a wholly owned subsidiary of the Company, entered into a provisional sale and purchase agreement with an independent third party relating to disposal of the residential property located at Tseung Kwan O, New Territories, Hong Kong at a cash consideration of HK$7,950,000. Completion of disposal is expected to be taken place on or before 4 May 2012.

(c) On 19 March 2012, Eternity Finance Group Limited (formerly known as Wingo Consultants Limited) entered into a conditional subscription agreement with Koffman Corporate Service Limited ("Koffman"), an independent third party, relating to the proposed subscription of convertible note to be issued by Koffman in the principal amount of HK$27,000,000 at its face value. The convertible note is unsecured, non-interest bearing and maturing on the third anniversary of the date of its issue. Provided that the convertible note has not been redeemed, the whole convertible note shall automatically be converted into shares in Koffman upon the success of initial public offering of Koffman's shares at the price of initial public offering. Any amount of the convertible note which remains outstanding on maturity date shall be redeemed by Koffman at its then outstanding principal amount plus a premium calculated at 20% of the then outstanding principal amount.

SPECIAL DIVIDEND

In view of the proposed acquisition of the entire issued share capital of Citadines Ashley TST (Hong Kong) Limited and Citadines Ashley TST Management (Hong Kong) Limited not having been approved by the shareholders on 3 November 2011 and the sufficient cash position of the Company, the board of directors had resolved to pay a special dividend of HK$0.025 per share out of the contributed surplus account to the shareholders, for their continuous supports to the Company. The payment of special dividend was subject to the proposed cancellation of the entire amount standing to the credit of the Company's share premium account at 31 December 2010 announced by the Company on 14 November 2011 becoming effective. The special dividend was paid on 29 December 2011.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company had complied with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2011, except for:

(a) Code provision A.2.1 of the Code requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year ended 31 December 2011, Mr. Lei Hong Wai has taken up the roles of the Chairman of the Board and the Chief Executive Officer of the Company. Mr. Lei possesses essential leadership skills and has extensive experience in corporate management and business development. The Board is of the view that currently vesting the roles of the Chairman and the Chief Executive Officer in the same person provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long term business strategies; and

(b) Code provision A.4.1 of the Code requires that non-executive directors should be appointed for a specific term, subject to re-election. The term of office for the non-executive directors of the Company is subject to retirement from office by rotation and is eligible for re-election in accordance with the provisions of the Company's bye-laws. At each annual general meeting, one-third of the directors for the time being, (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every director shall be subject to retirement by rotation at least once every three years. As such, the Company considers that such provision is sufficient to meet the underlying objective of this code provision.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules for securities transactions by the directors of the Company. All the members of the Board have confirmed that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2011.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2011.

REVIEW OF FINANCIAL INFORMATION

The audit committee of the Company has reviewed this annual results announcement and the annual report of the Company for the year ended 31 December 2011.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Company (www.eternityinv.com.hk) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2011 containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and make available on the abovementioned websites in due course.

By Order of the Board
Lei Hong Wai
Chairman

Hong Kong, 21 March 2012

As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Lei Hong Wai, Mr. Cheung Kwok Wai, Elton and Mr. Chan Kin Wah, Billy; one non-executive director, namely, Mr. Cheung Kwok Fan; and three independent non-executive directors, namely, Mr. Wan Shing Chi, Mr. Ng Heung Yan and Mr. Wong Tak Chuen.