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## **ETERNITE INTERNATIONAL COMPANY LIMITED**

**永恒國際股份有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 08351)**

### **NOTICE OF SPECIAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**SGM**”) of the shareholders of Eternite International Company Limited (the “**Company**”) will be held at Unit 603, 6th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Wednesday, 28 September 2011 at 4:30 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions of the Company:

#### **ORDINARY RESOLUTIONS**

1. **“THAT** subject to the fulfillment of the terms and conditions set out in the subscription agreement dated 19 August 2011 (the “**Subscription Agreement**”) and entered into between the Company, Fullink Management Limited, Galaxy China Deep Value Fund, Galaxy China Special Situations Fund SPC for and on behalf of Galaxy China Hidden Value Fund Segregated Portfolio, Galaxy Mining and Natural Resources Fund Segregated Portfolio, Mr. Chan Man Fai Joe, Mr. Chan Tzuenn Man and Wellchamp Capital Limited (a copy of the Subscription Agreement having been produced to the meeting and marked “A” and initialled by the chairman of the meeting for the purpose of identification) in respect of the subscription of 72,700,000 shares of HK\$0.01 each in the capital of the Company (the “**Subscription Shares**”) at a subscription price of HK\$0.75 per Subscription Share:
  - (i) the Subscription Agreement and the transaction contemplated thereunder be and are hereby approved, confirmed and ratified;

\* *For identification purposes only*

- (ii) the subscription for the Subscription Shares pursuant to the Subscription Agreement be and is hereby approved and the directors of the Company (the “**Directors**”) be and are hereby authorised to allot and issue the Subscription Shares pursuant to the Subscription Agreement; and
- (iii) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Subscription Agreement and the transactions contemplated thereunder.”

2. **“THAT:**

- (a) the authority given by the resolution set out as Resolution No.5 in the notice of the annual general meeting of the Company held on 29 July 2011 be and is hereby revoked to the extent that such authority has not been exercised (without prejudice to any valid exercise of such authority prior to the passing of this resolution);
- (b) subject to paragraph (d) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to issue, allot and deal with additional shares of the Company, and to make or grant offers, agreements and options (including warrants, bonds, notes and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (c) the approval in paragraph (b) of this Resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (d) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (b) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares of the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any bonds, notes, debentures and securities which are convertible into shares of the Company; or (iii) an issue of shares of the Company as scrip dividends pursuant to the bye-laws of the Company from time to time; or (iv) an issue of shares of the Company under any share option scheme or similar arrangement providing for the

grant to employees (including directors) of the Company and/or any of its subsidiaries of the rights to subscribe for shares of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution, and the said approval shall be limited accordingly; and

(e) for the purposes of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or other applicable laws of Bermuda to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares of the Company open for a period fixed by the directors of the Company to the holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to overseas shareholders or fractional entitlements or having regard to any restrictions or obligations under the law of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

By the order of the Board  
**Eternite International Company Limited**  
**Tsang Po Yee Pauline**  
*Executive Director*

Hong Kong, 9 September 2011

*Executive Director:*  
Ms. Tsang Po Yee Pauline

*Non-executive Directors:*  
Mr. Chan Man Fai Joe (*Chairman*)  
Mr. Tam B Ray Billy

*Independent non-executive Directors:*  
Mr. Seto Man Fai  
Mr. Ho Hin Hung Henry  
Mr. Lam Kin Kok

*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Headquarters and principal place of  
business in Hong Kong:*  
Units 01-02, 5th Floor  
Soundwill Plaza  
38 Russell Street  
Causeway Bay  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxies to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. A form of proxy for use of the SGM is enclosed. Whether or not you intend to attend the SGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services 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 the SGM or any adjournment thereof.
4. In the case of joint holders of Shares, any one of such joint holders may vote at the SGM, either personally or by proxy, in respect of such Shares as if he was solely entitled thereto, but if more than one of such joint holders be present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.

This notice will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for 7 days from the date of its publication and on the website of the Company at <http://www.etsernity-jewelry.com>