

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

EARNEST INVESTMENTS HOLDINGS LIMITED

(Continued into Bermuda with limited liability)

(Stock Code: 339)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

The board of directors (the “Board”) of Earnest Investments Holdings Limited (the “Company”) is pleased to announce the unaudited interim financial results of the Company for the six months ended 30 June 2014 together with the comparative figures for the corresponding period in 2013.

**CONDENSED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

		(Unaudited)	
		Six months ended 30 June	
	Note	2014 HK\$	2013 HK\$
Turnover	3	<u>12,492,099</u>	<u>4,595,137</u>
Revenue	3	1,559	1,897
Realised loss on disposal of available-for-sale financial assets		(50,000)	-
Realised gains on disposal of financial assets at fair value through profit or loss		842,540	6,440
Net unrealised holding gains/(losses) from financial assets at fair value through profit or loss		18,582,640	(11,089,325)
Administrative and other operating expenses		<u>(1,365,544)</u>	<u>(1,203,612)</u>
Profit/(loss) before tax		18,011,195	(12,284,600)
Income tax expense	4	<u>(470,707)</u>	<u>-</u>
Profit/(loss) for the period attributable to owners of the Company	5	17,540,488	(12,284,600)
Other comprehensive income for the period, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the period attributable to owners of the Company		<u>17,540,488</u>	<u>(12,284,600)</u>
Earnings/(loss) per share			
Basic	7	<u>0.217</u>	<u>(0.152)</u>

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	<i>Note</i>	(Unaudited) 30 June 2014 HK\$	(Audited) 31 December 2013 HK\$
Non-current assets			
Available-for-sale financial assets		-	650,000
Current assets			
Financial assets at fair value through profit or loss		49,711,590	33,122,350
Prepayments, deposits and other receivables		242,762	332,310
Bank and cash balances		3,356,613	1,370,944
		<u>53,310,965</u>	<u>34,825,604</u>
Current liabilities			
Accruals and other payables		76,345	252,179
Net current assets		<u>53,234,620</u>	<u>34,573,425</u>
Total assets less current liabilities		<u>53,234,620</u>	<u>35,223,425</u>
Non-current liabilities			
Deferred tax liabilities		470,707	-
NET ASSETS		<u>52,763,913</u>	<u>35,223,425</u>
Capital and reserves attributable to owners of the Company			
Share capital		1,620,000	1,620,000
Reserves		51,143,913	33,603,425
TOTAL EQUITY		<u>52,763,913</u>	<u>35,223,425</u>
Net asset value per share	8	<u>0.65</u>	<u>0.43</u>

Notes:

1. BASIS OF PREPARATION

The unaudited condensed interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

These condensed interim financial statements should be read in conjunction with the Company’s 2013 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2013.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Company has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) that are relevant to its operations and effective for its accounting period beginning on 1 January 2014. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Company’s accounting policies, presentation of the Company’s financial statements and amounts reported for the current period and prior years.

The Company has not applied the new HKFRSs that have been issued but are not yet effective. The Company has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. REVENUE AND TURNOVER

	(Unaudited)	
	Six months ended 30 June	
	2014	2013
	HK\$	HK\$
Dividend income from listed investments	1,449	1,398
Bank interest income	<u>110</u>	<u>499</u>
Revenue	1,559	1,897
Proceeds from disposal of available-for-sale financial assets	600,000	-
Proceeds from disposal of financial assets at fair value through profit or loss	<u>11,890,540</u>	<u>4,593,240</u>
Turnover	<u><u>12,492,099</u></u>	<u><u>4,595,137</u></u>

No segment information is presented as all of the turnover and revenue, contribution to operating results, assets and liabilities of the Company are attributable to investment activities which are carried out or originated principally in Hong Kong and the People’s Republic of China.

4. INCOME TAX EXPENSE

	(Unaudited)	
	Six months ended 30 June	
	2014	2013
	HK\$	HK\$
Deferred tax	<u><u>470,707</u></u>	<u><u>-</u></u>

No provision for Hong Kong Profits Tax has been made in the financial statements since the Company has sufficient tax losses brought forward to set off against current period’s assessable profit.

No provision for Hong Kong Profits Tax for the six months ended 30 June 2013 was required because the Company did not generate any assessable profits for that period.

5. **PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY**

The Company's profit/(loss) for the period attributable to owners of the Company is stated after charging the following:

	(Unaudited)	
	Six months ended 30 June	
	2014	2013
	HK\$	HK\$
Investment management fee (<i>Note 6</i>)	180,000	180,000
Directors' remuneration	175,680	173,760
Operating lease charges - land and buildings	<u>78,000</u>	<u>78,000</u>

6. **CONNECTED PARTY TRANSACTIONS**

During the period, the Company paid management fee of HK\$180,000 (2013: HK\$180,000) pursuant to an investment management agreement entered into between the Company and Success Talent Investments Limited as investment manager for a term of three years from 26 July 2012 with a management fee of HK\$30,000 per month payable monthly in arrears. The investment manager is deemed as a connected person of the Company under Rule 21.13 of the Listing Rules.

7. **EARNINGS/(LOSS) PER SHARE**

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the profit for the period attributable to owners of the Company of HK\$17,540,488 (2013: loss of HK\$12,284,600) and the number of ordinary shares of 81,000,000 (2013: 81,000,000) in issue during the period.

No diluted earnings/(loss) per share are presented as the Company did not have any dilutive potential ordinary shares during the six months ended 30 June 2014 and 2013.

8. **NET ASSET VALUE PER SHARE**

The calculation of the net asset value per share is based on the net assets of the Company as at 30 June 2014 of HK\$52,763,913 (31 December 2013: HK\$35,223,425) and the number of ordinary shares of 81,000,000 (31 December 2013: 81,000,000) in issue as at that date.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the six months ended 30 June 2014, the Company's unaudited profit attributable to owners was approximately HK\$17.5 million (2013: loss of HK\$12.3 million) and basic earnings per share was HK\$0.217 (2013: loss per share of HK\$0.152). As compared to the last corresponding period, both turnover and realised gains on disposals of Hong Kong listed securities have increased significantly; and the net profit recorded for the period was mainly due to the increase in unrealised holding gains of the Company's investment in Hong Kong listed securities.

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2014 (2013: HK\$ Nil).

Business Review

During the period under review, the Company recorded net unrealised holding gains of approximately HK\$18.6 million on its share portfolio. As a result, the carrying value of the Company's share portfolio increased to approximately HK\$49.7 million as at 30 June 2014. However, as the Company's operating results are mostly driven by the Company's investments in trading securities, its performance will continuously be affected by the prevailing conditions in the global stock market. Therefore, the Company will be cautious in trading securities from time to time and aims to grow its share portfolio.

The Company's portfolio of Hong Kong listed securities as at 30 June 2014 consists of China Dynamics (Holdings) Limited, New Times Energy Corporation Limited, Shougang Concord Century Holdings Limited, Shougang Concord International Enterprises Company Limited, APAC Resources Limited, China Animal Healthcare Limited and China National Building Material Company Limited.

As at 31 December 2013, the Company had investment in an unlisted company, Health Dynamic Limited ("Health Dynamic"), which holds 100% equity interests in Ocean Pharmaceutical (HK) Limited ("Ocean"). Ocean's principal activities are sourcing and trading of dedicated pharmaceutical products specializing in vascular health. During the reporting period, the Company sold its 20% equity interests in Health Dynamic for HK\$600,000 with a loss of HK\$50,000 as Ocean's performance was out of line with the Company's expectation.

As at 30 June 2014, 93% (31 December 2013: 94%) of the Company's total investments consists of a portfolio of Hong Kong listed securities, none (31 December 2013: 2%) in the equity interests of an unlisted company, 1% (31 December 2013: 1%) in other assets, and 6% (31 December 2013: 3%) in cash which was deposited with banks in Hong Kong.

Liquidity and Financial Resources

For the period under review, the Company generally financed its operations and investment activities by internal resources. As at 30 June 2014, the net asset value of the Company was HK\$52,763,913 (31 December 2013:HK\$35,223,425) with net asset value per share of HK\$0.65 (31 December 2013:HK\$0.43).

The Company has no significant liabilities. The gearing ratio of the Company, calculated on the basis of the Company's total liabilities over total owners' equity, was 0.010 as at 30 June 2014 (31 December 2013: 0.007).

All the Company's cash and cash equivalents were denominated in Hong Kong dollars as at the end of the reporting period. The Board believes that the Company has minimal exposure to foreign exchange risk.

Employees

During the reporting period, the Company did not employ any employees other than the directors of the Company. Total staff costs for the period was HK\$175,680 (2013: HK\$173,760). The Company's remuneration policies are in line with the prevailing market practice.

Charges on the Company's Assets and Contingent Liabilities

As at 30 June 2014, no charges had been created on the Company's assets and the Company did not have any significant contingent liabilities.

Prospects

The Company's management will adopt a conservative approach in managing the existing investments in accordance with the Company's investment objectives and policies. However, the Company will continue to identify and capture investment opportunities as and when they arise.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the reporting period, the Company neither purchased, sold nor redeemed any of its listed securities.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Listing Rules. The Company has complied with the code provisions during the six months ended 30 June 2014.

MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding directors' securities transactions by its directors. All the directors of the Company have confirmed in writing that they have complied with the required standards as set out in the Model Code throughout the reporting period.

AUDIT COMMITTEE

The Audit Committee of the Company, with its terms of reference established in accordance with the Code, comprises three independent non-executive directors, Mr. CHAN Francis Ping Kuen, Mr. TAN Yee Boon and Mr. WANG Jia Hua. The Committee has reviewed the accounting principles and practices adopted by the Company and in the course has discussed with management the internal controls and financial reporting matters related to the preparation of the unaudited condensed financial statements for the six months ended 30 June 2014.

REVIEW OF ACCOUNTS

Disclosure of financial information in this report complies with Appendix 16 of the Listing Rules.

The Audit Committee of the Company has reviewed the accounting principles and practices adopted by the Company and in the course has discussed with the management the internal controls and financial reporting matters related to the preparation of the unaudited condensed financial statements for the six months ended 30 June 2014.

The external auditor, RSM Nelson Wheeler has reviewed the interim financial information for the six months ended 30 June 2014 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF 2014 INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the Company's website (www.earnest-inv.com) and the Stock Exchange's website (www.hkexnews.hk). The Company's 2014 interim report will be made available on the websites of the Company and Stock Exchange and will be dispatched to Company's shareholders in due course.

By order of the Board
Earnest Investments Holdings Limited
CHAN Chak Paul
Chairman

Hong Kong, 27 August 2014

As at the date of this announcement, the board of directors of the Company consists of three executive directors, Mr. CHAN Chak Paul, Mr. NGAI Wah Sang and Mr. WANG Daming and three independent non-executive directors, Mr. CHAN Francis Ping Kuen, Mr. TAN Yee Boon and Mr. WANG Jia Hua.