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EARNEST INVESTMENTS HOLDINGS LIMITED

安利時投資控股有限公司*

(Continued into Bermuda with limited liability)
(Stock Code: 339)

PAST CONTINUING CONNECTED TRANSACTIONS

The Company continued the appointment of Success Talent as its investment manager in 2006 and 2009 for a term of three years each upon the expiration of the preceding investment management agreement with Success Talent in 2006.

Success Talent, being the investment manager of the Company, shall be deemed as a connected person of the Company pursuant to Rule 21.13 of the Listing Rules. The total management fee payable to Success Talent under both the 2006 Investment Management Agreement and the 2009 Investment Management Agreement was fixed at HK\$360,000 per annum, which had exceeded 25% of the then relevant percentage ratios. The transactions contemplated under each of the 2006 Investment Management Agreement and the 2009 Investment Management Agreement therefore constituted continuing connected transactions subject to reporting, announcement and the Independent Shareholders approval requirements as set out in Rule 14A.52 of the Listing Rules. However, the Company failed to report, announce and obtain Independent Shareholders' approval in relation to both the 2006 Investment Management Agreement and the 2009 Investment Management Agreement in time, and thus in breach of the Listing Rules.

The Company will seek Independent Shareholders' approval to confirm and ratify both the 2006 Investment Management Agreement and the 2009 Investment Management Agreement at the SGM.

A circular containing, among other matters, (i) details of the terms of appointment of Success Talent as the Company's investment manager under the 2006 Investment Management Agreement and the 2009 Investment Management Agreement; (ii) a letter from the independent committee of the Board setting out its recommendations to the Independent Shareholders in connection with the continual of the appointment of Success Talent as the Company's investment manager under the terms of the 2006 Investment Management Agreement and the 2009 Investment Management Agreement and the management fee payable pursuant thereto; (iii) a letter from an independent financial adviser containing its advice to the independent committee of the Board and the Independent Shareholders in connection with the continual of the appointment of Success Talent as the Company's investment manager under the terms of the 2006 Investment Management Agreement and the 2009 Investment Management Agreement and the management fee payable pursuant thereto; and (iv) the notice of the SGM, will be dispatched to the Shareholders on or before 21 August 2012.

2006 INVESTMENT MANAGEMENT AGREEMENT

Parties: The Company and Success Talent as the Company's investment manager

Terms of the New Investment Management Agreement

Success Talent was continued to be appointed as the investment manager of the Company for a term of three years effective from 26 July 2006 to 25 July 2009 and Success Talent shall provide investment management services to the Company during the term of its appointment.

Investment Management Fee: HK\$30,000 per month payable on a monthly basis in arrears. The total fees payable to Success Talent for each of the years ending 31 December 2006, 2007 and 2008 will be approximately HK\$150,000, HK\$360,000 and HK\$360,000.

2009 INVESTMENT MANAGEMENT AGREEMENT

Parties: The Company and Success Talent as the Company's investment manager

Terms of the New Investment Management Agreement

Success Talent was continued to be appointed as the investment manager of the Company for a term of three years effective from 26 July 2009 to 25 July 2012 and Success Talent shall provide investment management services to the Company during the term of its appointment.

Investment Management Fee: HK\$30,000 per month payable on a monthly basis in arrears. The total fees payable to Success Talent for each of the years ending 31 December 2009, 2010 and 2011 will be approximately HK\$150,000, HK\$360,000 and HK\$360,000.

BASIS FOR DETERMINING OF THE MANAGEMENT FEE

The investment management fee under both the 2006 Investment Management Agreement and the 2009 Investment Management Agreement was fixed at HK\$360,000 per annum, which was reached after arm's length negotiations between the Company and Success Talent and was determined with reference to (i) the then prevailing market rates and the responsibilities and duties of Success Talent as the investment manager of the Company; and (ii) the management fee payable to Success Talent since 2005, which was in the sum of HK\$360,000 per annum.

The Directors (including the independent non-executive Directors) considered that the investment management fee payable under these Investment Management Agreements was fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS FOR THE CONTINUAL OF THE INVESTMENT MANAGEMENT AGREEMENT IN 2006 AND 2009

The Company is an investment company listed under Chapter 21 of the Listing Rules. The principal business of the Company is to invest in both listed and unlisted companies.

Success Talent has been the Company's investment manager since the listing of the Company in 2000. The continual of Success Talent's appointment as the Company's investment manager by the Company was in the ordinary course of its business. Following the expiration of the preceding investment management agreement in 2006, the Company continued the appointment of Success Talent as the investment manager of the Company in both 2006 and 2009 on the same terms and conditions as those set out in the preceding investment management agreement entered into by the Company and the Investment Manager in 2003 (save and except that the annual management fee under the preceding investment manager agreement had been reduced from HK\$454,360 to HK\$360,000 in 2005).

The Directors (including the independent non-executive Directors) considered that the investment experience of Success Talent and its responsible officers was relevant to the investment strategies of the Company and were of the view that the investment experience and expertise of Success Talent would be beneficial to the Company and its shareholders as a whole.

INFORMATION ON SUCCESS TALENT

Success Talent, a company incorporated in Hong Kong with limited liability under the Companies Ordinance in 2000 and licensed since 24 August 2004 under the SFO, is principally engaged in the business of the provision of asset management services and is a licensed corporation (CE No.: AFU657) to carry out Type 9 (asset management) regulated activities under the SFO. Success Talent is the investment manager of China Investment and Finance Group Limited (formerly known as "Garron International Limited"), the issued shares of which are listed on the Stock Exchange (stock code: 1226).

The responsible officers (as defined by the SFO) of Success Talent are Mr. LEE Kwok Leung and Mr. CHOI Wai Yin.

PAST CONTINUING CONNECTED TRANSACTIONS AND THE BREACH OF THE LISTING RULES

Success Talent, being the investment manager of the Company, shall be deemed as a connected person of the Company pursuant to Rule 21.13 of the Listing Rules upon the continual of their appointment as the Company's investment manager in 2006 and 2009 becoming effective.

The total management fee payable to Success Talent under both the 2006 Investment Management Agreement and the 2009 Investment Management Agreement was fixed at HK\$360,000 per annum, which had exceeded 25% of the then relevant percentage ratios and thus, the Company's continual of the appointment of Success Talent as its investment manager under the terms of the 2006 Investment Management Agreement and the 2009 Investment Management Agreement and the payment of the management fee pursuant thereto therefore constituted continuing connected transactions subject to reporting, announcement and the Independent Shareholders approval requirements as set out in Rule 14A.52 of the Listing Rules. However, the Company failed to report, announce and obtain Independent Shareholders' approval in relation to both the 2006 Investment Management Agreement and the 2009 Investment Management Agreement in time, and thus in breach of the Listing Rules.

The Company explained that the non-compliance of the Listing Rules was due to, inter alia, the fact that the Company was not aware of the then threshold of 2.5% ratio in addition to the de minimis amount of HK\$1,000,000 since the changes to the Listing Rules becoming effective on 31 March 2004. Though the annual management fee contemplated in the 2006 Investment Management Agreement and the 2009 Management Agreement never exceeded the de minimis amount of HK\$1,000,000, the then relevant percentage ratios of which had exceeded 25%, the exempt from reporting, review, announcement and Independent Shareholders' approval pursuant to the de minimis amount therefore did not apply.

GENERAL

The Company will seek the Independent Shareholders' approval to confirm and ratify both the Company's continual of the appointment of Success Talent as its investment manager pursuant to the terms of the 2006 Investment Management Agreement and the 2009 Investment Management Agreement.

To the best knowledge, information and belief of the Directors, none of the persons who are required to abstain from voting at the SGM is holding any shares in the Company as at the date of this announcement.

The circular containing, among other matters, (i) details of the terms of appointment of Success Talent as the Company's investment manager under the 2006 Investment Management Agreement and the 2009 Investment Management Agreement; (ii) a letter from the independent committee of the Board setting out its recommendations to the Independent Shareholders in connection with the continual of the appointment of Success Talent as the Company's investment manager under the terms of the 2006 Investment Management Agreement and the 2009 Investment Management Agreement and the management fee payable pursuant thereto; (iii) a letter from an independent financial adviser containing its advice to the independent committee of the Board and the Independent Shareholders in connection with the continual of the appointment of Success Talent as the Company's investment manager under the terms of the 2006 Investment Management Agreement and the 2009 Investment Management Agreement and the management fee payable pursuant thereto; and (iv) the notice of the SGM, will be dispatched to the Shareholders on or before 21 August 2012.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

"2006 Investment Management Agreement"	the investment management agreement dated as of 26 July 2006
"2009 Investment Management Agreement"	the investment management agreement dated as of 26 July 2009
"Board"	the board of Directors
"Companies Ordinance"	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
"Company"	Earnest Investments Holdings Limited, a company continued into Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Shareholders"	Shareholders of the Company other than those materially interested in the Transactions
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Success Talent”	Success Talent Investments Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation registered under the SFO to engage in type 9 regulated activities within the meaning of the SFO
“Transaction(s)”	the transaction(s) between the Company and Success Talent
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 31 July 2012

As at the date of this announcement, the Board 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.

** For identification purpose only.*