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EARNEST INVESTMENTS HOLDINGS LIMITED

(Continued into Bermuda with limited liability)

(Stock Code: 339)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

The board of directors (the “Board”) of Earnest Investments Holdings Limited (the “Company”) is pleased to announce that the audited results of the Company for the year ended 31 December 2010 together with the comparative figures for the corresponding year 2009 are as follows:

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	<u>2010</u> HK\$	<u>2009</u> HK\$
Turnover	4	<u>1,829,030</u>	<u>3,922,747</u>
Revenue	4	492,090	3,247
Realised (losses)/gains on disposals of financial assets at fair value through profit or loss		(62,500)	1,349,250
Realised losses on disposals of available-for-sale financial assets		(200,000)	(800,000)
Net unrealised holding gains from financial assets at fair value through profit or loss		15,910,428	17,170,140
Administrative and other operating expenses		<u>(2,190,168)</u>	<u>(1,948,324)</u>
Profit before tax		13,949,850	15,774,313
Income tax expense	5	<u>(1,142,262)</u>	-
Profit for the year attributable to owners of the Company	6	12,807,588	15,774,313
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to owners of the Company		<u>12,807,588</u>	<u>15,774,313</u>
Earnings per share			
Basic	7	<u>0.158</u>	<u>0.195</u>

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2010

	Note	<u>2010</u> HK\$	<u>2009</u> HK\$
Non-current assets			
Available-for-sale financial assets		<u>650,000</u>	<u>1,350,000</u>
Current assets			
Financial assets at fair value through profit or loss		47,837,083	32,336,595
Prepayments, deposits and other receivables		529,269	93,900
Bank and cash balances		<u>5,859,899</u>	<u>7,113,906</u>
		54,226,251	39,544,401
Current liabilities			
Accruals and other payables		<u>210,000</u>	<u>178,000</u>
Net current assets		<u>54,016,251</u>	<u>39,366,401</u>
Total assets less current liabilities		54,666,251	40,716,401
Non-current liabilities			
Deferred tax liabilities		<u>1,142,262</u>	<u>-</u>
NET ASSETS		<u>53,523,989</u>	<u>40,716,401</u>
Capital and reserves attributable to owners of the Company			
Share capital		1,620,000	1,620,000
Reserves		<u>51,903,989</u>	<u>39,096,401</u>
TOTAL EQUITY		<u>53,523,989</u>	<u>40,716,401</u>
Net asset value per share	8	<u>0.66</u>	<u>0.50</u>

*Notes:***1. CORPORATE INFORMATION**

The Company was continued into Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The address of its principal place of business is Units 801 - 802, 8/F., Ginza Square, 565 - 567 Nathan Road, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment and trading of listed and unlisted companies.

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

In the current year, the Company has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 January 2010. 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 and amounts reported for the current year 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. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the 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.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments which are carried at their fair values.

4. REVENUE AND TURNOVER

	<u>2010</u> HK\$	<u>2009</u> HK\$
Dividend income from listed investments	90,820	2,220
Dividend income from unlisted investments	400,000	-
Bank interest income	<u>1,270</u>	<u>1,027</u>
Revenue	492,090	3,247
Proceeds from disposals of available-for-sale financial assets	500,000	2,000,000
Proceeds from disposals of financial assets at fair value through profit or loss	<u>836,940</u>	<u>1,919,500</u>
Turnover	<u>1,829,030</u>	<u>3,922,747</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.

5. INCOME TAX EXPENSE

	<u>2010</u> HK\$	<u>2009</u> HK\$
Current tax - Hong Kong Profits Tax Provision for the year	-	-
Deferred tax	<u>1,142,262</u>	-
	<u>1,142,262</u>	-

No provision for Hong Kong Profits Tax is required for the year ended 31 December 2010 since the Company has no assessable profit for the year (2009: Nil).

The reconciliation between the income tax expense and the product of profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	<u>2010</u> HK\$	<u>2009</u> HK\$
Profit before tax	<u>13,949,850</u>	<u>15,774,313</u>
Tax at 16.5% (2009: 16.5%)	2,301,725	2,602,761
Tax effect of income that is not taxable	(81,195)	(535)
Tax effect of expenses that are not deductible	33,000	132,000
Utilisation of temporary differences not previously recognised	(1,111,268)	(2,830,882)
Tax effect of tax losses not recognised	<u>-</u>	<u>96,656</u>
Income tax expense	<u>1,142,262</u>	<u>-</u>

6. PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

The Company's profit for the year attributable to owners of the Company is stated after charging the following:

	<u>2010</u> HK\$	<u>2009</u> HK\$
Auditor's remuneration	170,000	170,000
Total staff costs	398,400	355,200
Investment management fee	<u>360,000</u>	<u>360,000</u>

7. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of HK\$12,807,588 (2009: HK\$15,774,313) and the number of ordinary shares of 81,000,000 (2009: 81,000,000) in issue during the year.

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary shares during the years ended 31 December 2010 and 2009.

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 31 December 2010 of HK\$53,523,989 (2009: HK\$40,716,401) and the number of ordinary shares of 81,000,000 (2009: 81,000,000) in issue as at that date.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Appropriations

For the year ended 31 December 2010, the Company recorded a turnover of approximately HK\$1.8 million (2009: HK\$3.9 million), net profit attributable to owners of approximately HK\$13 million (2009: HK\$16 million), and basic earnings per share of HK\$0.158 (2009 : HK\$0.195). The decrease in turnover was mainly due to the decrease in trading of listed securities and also the disposal of available-for-sale financial assets. The decrease in net profit for the year was mainly due to the decrease in unrealised holding gains from Hong Kong listed securities.

Business Review

For the year ended 31 December 2010, the Company had not made any new investment other than Hong Kong listed securities. During the year, the Company had recorded a net unrealised holding gain of approximately HK\$16 million on its share portfolio. As a result, the carrying value of the Company's share portfolio had increased to approximately HK\$48 million as at 31 December 2010. The Board will be cautious in our share trading activity considering recent global economic atmosphere and a high volatile share market.

During the year, the Company received a dividend of HK\$400,000 from an investee company engaged in sourcing and trading of pharmaceutical products. The Company had disposed of an unlisted investment engaged in manufacturing and trading of printed circuit board at HK\$500,000.

As at 31 December 2010, approximately 87% (2009: 79%) of the Company's investments were in a portfolio of Hong Kong listed securities, 1% (2009: 3%) in the equity interests of unlisted companies, 1% (2009: 1%) in other assets and the remaining 11% (2009: 17%) in cash which was deposited with banks in Hong Kong.

Liquidity, Financial Resources and Funding

For the year under review, the Company generally financed its operations and investment activities by internal resources. As at 31 December 2010, the net asset value of the Company amounted to HK\$53,523,989 (2009: HK\$40,716,401) with net asset value per share of HK\$0.66 (2009: HK\$0.50).

The Company's total liabilities mainly consisted of deferred tax liabilities and had no other significant liabilities. The gearing ratio of the Company, calculated on the basis of the Company's total liabilities over total owners' funds, was 0.025 as at 31 December 2010 (2009 : 0.004).

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

Employees

During the year, the Company did not employ any employees other than the directors of the Company and total staff costs for the year amounted to HK\$398,400 (2009: HK\$355,200). The Company's remuneration policies are in line with the prevailing market practice.

Charges on the Company's Assets and Contingent Liabilities

As at 31 December 2010, there were no charges on the Company's assets and the Company did not have any significant contingent liabilities.

Prospects

The Board will manage its existing investments in accordance with the Company's investment objectives and will continue to identify and capture investment opportunities as and when they arise.

DIVIDEND

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2010 (2009: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, the Company neither purchased, sold nor redeemed any of its own listed securities.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Listing Rules. The Company has applied the principles in the Code and complied with the code provisions during the year ended 31 December 2010 except for the following:

Code Provision E.1.3 stipulates that the Company should arrange notice to shareholders to be sent in the case of annual general meetings at least 20 clear business days before the meeting.

Annual general meeting of the Company was held on 19 May 2010 and the notice was sent to shareholders on 23 April 2010. The Company has not given 20 clear business days of notice for the annual general meeting, but fulfilled the requirement under the Company’s Bye-laws, which requires that an annual general meeting should be called by not less than 21 days notice in writing.

CODE OF CONDUCT ON DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 of the Listing Rules as its Code of Conduct regarding securities transactions by the Directors.

The Company has made specific enquiry of all the Directors and all the Directors have confirmed in writing that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2010.

AUDIT COMMITTEE

The audit committee, 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 Company’s audited financial statements for the year ended 31 December 2010.

SCOPE OF WORK OF RSM NELSON WHEELER

The figures in respect of this announcement of the Company’s results for the year ended 31 December 2010 have been agreed by the Company’s auditor, RSM Nelson Wheeler, to the amounts set out in the Company’s audited financial statements for the year ended 31 December 2010. The work performed by RSM Nelson Wheeler in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by RSM Nelson Wheeler on this announcement.

DISCLOSURE OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the website of the Stock Exchange at www.hkex.com.hk as well as the Company's website at www.earnest-inv.com. The 2010 annual report of the Company containing all information required under the Listing Rules will be dispatched to the shareholders of the Company and will be made available on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 28 March 2011

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.