

EARNEST INVESTMENTS HOLDINGS LIMITED

安利時投資控股有限公司*

(Continued into Bermuda with limited liability)

(Stock Code: 339)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

The Board of Directors (the “Board”) of Earnest Investments Holdings Limited (the “Company”) is pleased to present the unaudited interim financial results for the six months ended 30 June 2009 together with comparative figures for the corresponding period in 2008.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2009

		(Unaudited)	
		Six months ended 30 June	
		2009	2008
	Note	HK\$	HK\$
Turnover	4	<u>3,220,607</u>	<u>79,125</u>
Revenue	4	2,607	79,125
Realised gains on disposals of financial assets at fair value through profit or loss		897,750	-
Realised loss on disposals of available-for-sale financial assets		(800,000)	-
Net unrealised holding gains/(losses) from financial assets at fair value through profit or loss		26,624,035	(63,696,570)
Administrative and other operating expenses		<u>(905,708)</u>	<u>(914,997)</u>
Profit/(loss) before tax		25,818,684	(64,532,442)
Income tax (expense)/credit	5	<u>(518,099)</u>	<u>10,665,762</u>
Profit/(loss) for the period attributable to equity holders of the Company	6	<u>25,300,585</u>	<u>(53,866,680)</u>
Other comprehensive income for the period, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the period attributable to equity holders of the Company		<u>25,300,585</u>	<u>(53,866,680)</u>
Dividend		<u>-</u>	<u>-</u>
Earnings/(loss) per share			
Basic	7	<u>0.312</u>	<u>(0.665)</u>

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2009**

	(Unaudited) 30 June 2009 HK\$	(Audited) 31 December 2008 HK\$
Non-current assets		
Available-for-sale financial assets	<u>1,350,000</u>	<u>4,150,000</u>
Current assets		
Financial assets at fair value through profit or loss	42,040,490	15,736,705
Prepayments, deposits and other receivables	166,145	238,540
Current tax assets	970,784	970,784
Bank and cash balances	<u>6,282,523</u>	<u>4,038,259</u>
	49,459,942	20,984,288
Current liabilities		
Accruals and other payables	<u>49,170</u>	<u>192,200</u>
Net current assets	<u>49,410,772</u>	<u>20,792,088</u>
Total assets less current liabilities	50,760,772	24,942,088
Non-current liabilities		
Deferred tax liabilities	<u>518,099</u>	<u>-</u>
NET ASSETS	<u><u>50,242,673</u></u>	<u><u>24,942,088</u></u>
Capital and reserves attributable to equity holders of the Company		
Share capital	1,620,000	1,620,000
Reserves	<u>48,622,673</u>	<u>23,322,088</u>
TOTAL EQUITY	<u><u>50,242,673</u></u>	<u><u>24,942,088</u></u>
Net asset value per share	8	8
	<u><u>0.62</u></u>	<u><u>0.31</u></u>

Notes:

1. REVIEW BY AUDITOR

The interim financial information of the Company for the six months ended 30 June 2009 has been reviewed by the Company's external auditor, RSM Nelson Wheeler, 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 ("HKICPA") and an unmodified review conclusion has been issued.

2. BASIS OF PREPARATION

These unaudited condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" which is one of the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange (the "Listing Rules").

These condensed financial statements should be read in conjunction with the 2008 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the 2008 annual financial statements except as stated in note 3 below.

3. ADOPTION OF NEW AND REVISED HKFRSs

In the current period, the Company has adopted all the new and revised HKFRSs that are relevant to its operations and effective for its accounting period beginning on 1 January 2009. HKFRSs comprise Hong Kong Financial Reporting Standards; HKASs; 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 except as stated below.

Presentation of Financial Statements

HKAS 1 (Revised) "Presentation of Financial Statements" affects certain disclosures and presentation of the financial statements. The balance sheet is renamed as the statement of financial position and the cash flow statement is renamed as the statement of cash flows. All income and expenses arising from transactions with non-owners are presented in the statement of comprehensive income, and the total carried to the statement of changes in equity. The owner changes in equity are presented in the statement of changes in equity. HKAS 1 (Revised) has been applied retrospectively.

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.

4. REVENUE AND TURNOVER

	(Unaudited)	
	Six months ended 30 June	
	2009	2008
	HK\$	HK\$
Dividend income from trading securities listed in Hong Kong	2,220	49,040
Bank interest income	<u>387</u>	<u>30,085</u>
Revenue	2,607	79,125
Proceeds from disposals of available-for-sale financial assets	2,000,000	-
Proceeds from disposals of financial assets at fair value through profit or loss	<u>1,218,000</u>	<u>-</u>
Turnover	<u><u>3,220,607</u></u>	<u><u>79,125</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.

5. INCOME TAX EXPENSE/(CREDIT)

	(Unaudited)	
	Six months ended 30 June	
	2009	2008
	HK\$	HK\$
Deferred tax	<u>518,099</u>	<u>(10,665,762)</u>

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2009 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 has been made for the six months ended 30 June 2008 as the Company had no assessable profit for that period.

Deferred tax has been provided at a rate of 16.5% (2008: 16.5%) on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

6. **PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY**

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

	(Unaudited)	
	Six months ended 30 June	
	2009	2008
	HK\$	HK\$
Investment management fee	180,000	180,000
Total staff costs	172,800	172,800

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

The calculation of basic earnings/(loss) per share attributable to equity holders of the Company is based on the profit for the period attributable to equity holders of the Company of HK\$25,300,585 (2008: loss of HK\$53,866,680) and the number of ordinary shares of 81,000,000 (2008: 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 2009 and 2008.

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 2009 of HK\$50,242,673 (31 December 2008: HK\$24,942,088) and the number of ordinary shares of 81,000,000 (31 December 2008: 81,000,000) in issue as at that date.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the six months ended 30 June 2009, the Company's unaudited net profit attributable to equity holders was approximately HK\$25.3 million (2008: loss of HK\$53.9 million), and the basic earnings per share was HK\$0.312 (2008: loss per share of HK\$0.665). The profit recorded during the period was mainly due to the increase in realised gain on trading securities and unrealised holding gains from Hong Kong listed securities.

Business Review

During the period under review, the Company had not made any new investment. The Board will be cautious in making investment decision and take up investment opportunities when they arise.

The Company's portfolio of Hong Kong listed securities as at 30 June 2009 consisted of Sinocop Resources (Holdings) Limited, New Times Group Holdings Limited, Shougang Concord Century Holdings Limited, Shougang Concord International Enterprises Company Limited and APAC Resources Limited.

During the period, the Company sold an unlisted investment engaged in business management consulting services at HK\$2 million. The Board will monitor and take appropriate measures on the remaining investments in unlisted companies.

As at 30 June 2009, 83% (31 December 2008: 63%) of the Company's total investments were in a portfolio of Hong Kong listed securities, 3% (31 December 2008: 17%) in the equity interests of unlisted companies, 2% (31 December 2008: 4%) in other assets, and 12% (31 December 2008: 16%) in cash which was deposited with a bank in Hong Kong.

Financial Review

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 2009, the net asset value of the Company was HK\$50,242,673 (31 December 2008: HK\$24,942,088) with net asset value per share of HK\$0.62 (31 December 2008: HK\$0.31).

The Company has no significant liabilities. The gearing ratio of the Company, calculated on the basis of the Company's total liabilities over total shareholders' funds, is 0.011 as at 30 June 2009 (31 December 2008: 0.007).

All the Company's cash and cash equivalents were denominated in Hong Kong dollars as at the balance sheet date. The directors believe that the Company has minimal exposure to foreign exchange risk.

Employees

During the period, the Company did not employ any employees other than the directors of the Company. Total staff costs for the period was HK\$172,800 (2008: HK\$172,800). 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 2009, 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.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2009 (2008: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not or was not in compliance with the Code on Corporate Governance Practices (the “Corporate Governance Code”) as set out in Appendix 14 of the Listing Rules throughout the period.

MODEL CODE

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 as its code of conduct regarding directors’ securities transactions by the directors. All directors have confirmed in writing that they have complied with the required standards as set out in the Model Code throughout the period.

AUDIT COMMITTEE

The audit committee, with its terms of reference established in accordance with the Corporate Governance Code, comprises three independent non-executive directors, Mr. CHAN Francis Ping Kuen, Mr. Benny LUI and Mr. TAN Yee Boon. The committee had reviewed the Company’s unaudited condensed interim financial statements for the six months ended 30 June 2009.

By order of the Board
CHAN Chak Paul
Chairman

Hong Kong, 14 September 2009

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. Benny LUI, and Mr. TAN Yee Boon.

** for identification purpose only*