

EARNEST INVESTMENTS HOLDINGS LIMITED

安利時投資控股有限公司*

(Continued into Bermuda with limited liability)

(Stock Code: 339)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

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 2007 together with the comparative figures for the corresponding year 2006 are as follows:

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	<u>2007</u> HK\$	<u>2006</u> HK\$
Turnover	4	23,433,835	198,691
Cost of sales		<u>(4,598,100)</u>	<u>(73,000)</u>
Gross profit		18,835,735	125,691
Net unrealised holding gains/(losses) from financial assets at fair value through profit or loss		97,497,670	(265,530)
Impairment of available-for-sale financial assets		(2,700,000)	-
Administrative and other operating expenses		<u>(2,118,024)</u>	<u>(2,434,842)</u>
Profit/(loss) before tax		111,515,381	(2,574,681)
Income tax expense	5	<u>(14,371,265)</u>	<u>-</u>
Profit/(loss) for the year attributable to equity holders of the Company	6	<u>97,144,116</u>	<u>(2,574,681)</u>
Earnings/(loss) per share			
Basic	7	<u>1.199</u>	<u>(0.038)</u>

BALANCE SHEET

AT 31 DECEMBER 2007

	<u>2007</u>	<u>2006</u>
<i>Note</i>	HK\$	HK\$
Non-current assets		
Property, plant and equipment	-	-
Available-for-sale financial assets	<u>11,800,000</u>	<u>14,500,000</u>
	<u>11,800,000</u>	<u>14,500,000</u>
Current assets		
Financial assets at fair value through profit or loss	124,336,070	9,911,820
Prepayments, deposits and other receivables	63,149	203,630
Bank and cash balances	<u>7,057,430</u>	<u>7,046,738</u>
	131,456,649	17,162,188
Current liabilities		
Accruals and other payables	<u>261,801</u>	<u>182,721</u>
Net current assets	<u>131,194,848</u>	<u>16,979,467</u>
Total assets less current liabilities	142,994,848	31,479,467
Non-current liabilities		
Deferred tax liabilities	<u>14,371,265</u>	<u>-</u>
NET ASSETS	<u>128,623,583</u>	<u>31,479,467</u>
Capital and reserves attributable to equity holders of the Company		
Share capital	1,620,000	1,620,000
Reserves	<u>127,003,583</u>	<u>29,859,467</u>
TOTAL EQUITY	<u>128,623,583</u>	<u>31,479,467</u>
Net asset value per share	8 <u>1.59</u>	<u>0.39</u>

Notes:

1. CORPORATE INFORMATION

The Company changed its domicile from the Cayman Islands to Bermuda with effect from 6 January 2006 by way of discontinuation in the Cayman Islands and continuation 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 in and trading of listed and unlisted investments.

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 accounting periods beginning on or after 1 January 2007. 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 substantial 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.

4. TURNOVER

	<u>2007</u> HK\$	<u>2006</u> HK\$
Dividend income	62,974	9,580
Proceeds from disposals of financial assets at fair value through profit or loss	22,996,310	93,400
Bank interest income	374,551	95,711
	<u>23,433,835</u>	<u>198,691</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 (the "PRC").

5. INCOME TAX EXPENSE

	<u>2007</u> HK\$	<u>2006</u> HK\$
Current tax - Hong Kong Profits Tax Provision for the year	-	-
Deferred tax	<u>14,371,265</u>	<u>-</u>
	<u>14,371,265</u>	<u>-</u>

No provision for Hong Kong Profits Tax has been made as the Company has no assessable profit for the year (2006: Nil).

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

	<u>2007</u> HK\$	<u>2006</u> HK\$
Profit/(loss) before tax	<u>111,515,381</u>	<u>(2,574,681)</u>
Tax at 17.5% (2006: 17.5%)	19,515,192	(450,569)
Tax effect of income that is not taxable	(76,566)	(1,673)
Tax effect of expenses that are not deductible	472,500	98,219
Tax effect of other temporary differences not recognised	(1,533)	(1,108)
Tax effect of utilisation of tax losses not previously recognised	(4,667,342)	-
Tax effect of tax losses not recognised	-	355,131
Tax effect of temporary differences arising from the change in Hong Kong Profits Tax rate from 17.5% to 16.5% for the year of assessment 2008/2009	<u>(870,986)</u>	<u>-</u>
Income tax expense	<u>14,371,265</u>	<u>-</u>

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

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

	<u>2007</u> HK\$	<u>2006</u> HK\$
Auditor's remuneration	180,000	170,000
Total staff costs	345,600	345,600
Depreciation	-	4,612
Realised gains on disposals of financial assets at fair value through profit or loss	(18,398,210)	(20,400)
Investment management fee	<u>360,000</u>	<u>360,000</u>

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 year attributable to equity holders of the Company of HK\$97,144,116 (2006: loss of HK\$2,574,681) and the weighted average number of ordinary shares of 81,000,000 (2006: 67,680,370) in issue during the year.

No diluted earnings/(loss) per share are presented as the Company did not have any dilutive potential ordinary shares during two years ended 31 December 2007.

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 2007 of HK\$128,623,583 (2006: HK\$31,479,467) and the number of ordinary shares of 81,000,000 (2006: 81,000,000) in issue as at that date.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the year ended 31 December 2007, the Company has recorded a turnover of approximately HK\$23 million (2006: HK\$0.2 million) and net profit attributable to shareholders of approximately HK\$97 million (2006: loss of HK\$2.6 million). The increase in turnover and profit during the year were mainly due to the increase in trading volume and gain on trading securities, and the increase in unrealised holding gains from Hong Kong listed securities.

Business Review

For the year ended 31 December 2007, the Company had not made any new investment other than Hong Kong listed securities.

The Company's portfolio of Hong Kong listed securities as at 31 December 2007 consisted of Sinocop Resources (Holdings) Limited (formerly known as "China Elegance (Holdings) Limited"), Shougang Concord International Enterprises Company Limited, Shougang Concord Century Holdings Limited, New Times Group Holdings Limited and APAC Resources Limited.

The Company's investments in unlisted companies as at 31 December 2007 had not generated any significant investment return for the year ended 31 December 2007. During the year, one of the unlisted companies had made an impairment loss against its assets due to adverse market condition and as such, the Company recorded an impairment loss of HK\$2.7 million. The Board will closely monitor the investments in unlisted companies and will take appropriate action if necessary.

As at 31 December 2007, approximately 87% (2006: 32%) of the Company's investments were in a portfolio of Hong Kong listed securities, 8% (2006: 46%) in the equity interests of unlisted companies, and the remaining 5% (2006: 22%) in cash which was deposited with a bank 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 2007, the net asset value of the Company amounted to HK\$128,623,583 (2006: HK\$31,479,467) with net asset value per share of HK\$1.59 (2006: HK\$0.39).

The Company's total liabilities consists mainly a provision for deferred tax liabilities and has no other significant liabilities. The gearing ratio of the Company, calculated on the basis of the Company's total liabilities over total shareholders' funds, is 0.112 as at 31 December 2007 (2006 : 0.006).

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 year, the Company did not employ any employees other than the directors of the Company, total staff costs for the year amounted to HK\$345,600 (2006: HK\$345,600). 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 2007, there were no charges on the Company's assets and the Company did not have any significant contingent liabilities.

Prospects

The Company will continue to identify and pursue investment opportunities and manage the existing investments in accordance with the Company's investment objectives. The Board believes that the Company is able to further its investment objectives and to make timely investment as well as to capture opportunities when they arise.

DIVIDEND

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2007 (2006: 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

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 as set out in Appendix 14 of the Listing Rules throughout the year.

CODE OF CONDUCT ON DIRECTORS' SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules as the Code of Conduct regarding directors' securities transactions.

Specific enquiry has been made of all the directors of the Company who have confirmed in writing their compliance with the required standards set out in the Code of Conduct during the year under review.

AUDIT COMMITTEE

The Audit Committee has reviewed the Company's audited financial statements for the year, including the accounting principles and practices adopted by the Company.

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 2007 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 2007. 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.

PUBLICATION OF RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The Company's 2007 annual report will be published 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, 17 March 2008

As at the date of this announcement, the Board of the Company consists of three executive directors, Mr. Chan Chak Paul, Mr. Wang Daming and Mr. Ngai Wah Sang and three independent non-executive directors, Mr. Benny Lui, Mr. Oliver Yeung Kam Lai and Mr. Chan Francis Ping Kuen.

** for identification purpose only*