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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 2008**

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 2008 together with the comparative figures for the corresponding year 2007 as follows:

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

| | <i>Note</i> | <u>2008</u> HK\$ | <u>2007</u> HK\$ |
|--|-------------|----------------------|---------------------|
| Turnover | 5 | <u>813,482</u> | <u>23,433,835</u> |
| Revenue | 5 | 142,482 | 437,525 |
| Realised gains on disposals of financial assets at fair value through profit or loss | | 15,500 | 18,398,210 |
| Net unrealised holding (losses)/gains from financial assets at fair value through profit or loss | | (108,599,365) | 97,497,670 |
| Impairment of available-for-sale financial assets | | (7,650,000) | (2,700,000) |
| Administrative and other operating expenses | | <u>(1,961,377)</u> | <u>(2,118,024)</u> |
| (Loss)/profit before tax | | (118,052,760) | 111,515,381 |
| Income tax credit/(expense) | 6 | <u>14,371,265</u> | <u>(14,371,265)</u> |
| (Loss)/profit for the year attributable to equity holders of the Company | 7 | <u>(103,681,495)</u> | <u>97,144,116</u> |
| Dividend | | <u>-</u> | <u>-</u> |
| (Loss)/earnings per share | | | |
| Basic | 8 | <u>(1.280)</u> | <u>1.199</u> |

BALANCE SHEET

AT 31 DECEMBER 2008

| | <u>2008</u> | <u>2007</u> |
|---|--------------------------|---------------------------|
| <i>Note</i> | HK\$ | HK\$ |
| Non-current assets | | |
| Available-for-sale financial assets | <u>4,150,000</u> | <u>11,800,000</u> |
| Current assets | | |
| Financial assets at fair value through profit or loss | 15,736,705 | 124,336,070 |
| Prepayments, deposits and other receivables | 238,540 | 63,149 |
| Current tax assets | 970,784 | - |
| Bank and cash balances | <u>4,038,259</u> | <u>7,057,430</u> |
| | 20,984,288 | 131,456,649 |
| Current liabilities | | |
| Accruals and other payables | <u>192,200</u> | <u>261,801</u> |
| Net current assets | <u>20,792,088</u> | <u>131,194,848</u> |
| Total assets less current liabilities | 24,942,088 | 142,994,848 |
| Non-current liabilities | | |
| Deferred tax liabilities | <u>-</u> | <u>14,371,265</u> |
| NET ASSETS | <u><u>24,942,088</u></u> | <u><u>128,623,583</u></u> |
| Capital and reserves attributable to equity holders of the Company | | |
| Share capital | 1,620,000 | 1,620,000 |
| Reserves | <u>23,322,088</u> | <u>127,003,583</u> |
| TOTAL EQUITY | <u><u>24,942,088</u></u> | <u><u>128,623,583</u></u> |
| Net asset value per share | 9 <u><u>0.31</u></u> | <u><u>1.59</u></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 2008. 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.

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. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. In prior years, the cost of financial assets at fair value through profit or loss disposed of was presented as "cost of sales" on the face of the income statement. In the current year, the Company revised the presentation in order to conform to the market practices. The proceeds from disposals of financial assets at fair value through profit or loss are offset against the cost of financial assets at fair value through profit or loss and presented as a separate item on the face of the income statement.

5. REVENUE AND TURNOVER

| | <u>2008</u> HK\$ | <u>2007</u> HK\$ |
|---|-----------------------|--------------------------|
| Dividend income from listed investments | 93,640 | 62,974 |
| Bank interest income | <u>48,842</u> | <u>374,551</u> |
| Revenue | 142,482 | 437,525 |
| Proceeds from disposal of financial assets at fair value through profit or loss | <u>671,000</u> | <u>22,996,310</u> |
| Turnover | <u><u>813,482</u></u> | <u><u>23,433,835</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 (the "PRC").

6. INCOME TAX (CREDIT)/EXPENSE

| | <u>2008</u> HK\$ | <u>2007</u> HK\$ |
|--|----------------------------|--------------------------|
| Current tax - Hong Kong Profits Tax Provision for the year | - | - |
| Deferred tax | <u>(14,371,265)</u> | <u>14,371,265</u> |
| | <u><u>(14,371,265)</u></u> | <u><u>14,371,265</u></u> |

No provision for Hong Kong Profits Tax has been made for the year ended 31 December 2008 as the Company has no assessable profit for the year (2007: Nil).

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

| | <u>2008</u> HK\$ | <u>2007</u> HK\$ |
|--|----------------------|---------------------|
| (Loss)/profit before tax | <u>(118,052,760)</u> | <u>111,515,381</u> |
| Tax at 16.5% (2007: 17.5%) | (19,478,705) | 19,515,192 |
| Tax effect of income that is not taxable | (23,510) | (76,566) |
| Tax effect of expenses that are not deductible | 1,262,250 | 472,500 |
| Tax effect of other temporary differences not recognised | 3,868,700 | (1,533) |
| Tax effect of utilisation of tax losses not previously recognised | - | (4,667,342) |
| Tax effect of temporary differences arising from the change of Hong Kong Profits Tax rate from 17.5% to 16.5% for the year of assessment 2008/2009 | <u>-</u> | <u>(870,986)</u> |
| Income tax (credit)/expense | <u>(14,371,265)</u> | <u>14,371,265</u> |

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

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

| | <u>2008</u> HK\$ | <u>2007</u> HK\$ |
|---------------------------|---------------------|---------------------|
| Auditor's remuneration | 180,000 | 180,000 |
| Total staff costs | 345,600 | 345,600 |
| Investment management fee | <u>360,000</u> | <u>360,000</u> |

8. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share attributable to equity holders of the Company is based on the loss for the year attributable to equity holders of the Company of HK\$103,681,495 (2007: profit of HK\$97,144,116) and the number of ordinary shares of 81,000,000 (2007: 81,000,000) in issue during the year.

No diluted (loss)/earnings per share are presented as the Company did not have any dilutive potential ordinary shares during two years ended 31 December 2008.

9. 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 2008 of HK\$24,942,088 (2007: HK\$128,623,583) and the number of ordinary shares of 81,000,000 (2007: 81,000,000) in issue as at that date.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Appropriations

For the year ended 31 December 2008, the Company has recorded a turnover of approximately HK\$0.8 million (2007: HK\$23 million) and net loss attributable to shareholders of approximately HK\$104 million (2007: net profit of HK\$97 million). The decrease in turnover was mainly due to the decrease in trading of listed securities. The net loss for the year was mainly due to net unrealised holding losses from Hong Kong listed securities, and impairment loss of unlisted investments.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2008 (2007: Nil).

Business Review

Adverse economic condition and global financial market turmoil in 2008 had significantly affected the global economy. The carrying value of the Company's listed and unlisted investments had dropped significantly as at 31 December 2008 as compared to the last year. The Company had not made any new investment other than Hong Kong listed securities during the year.

The Company's portfolio of Hong Kong listed securities as at 31 December 2008, consisted of Sinocop Resources (Holdings) Limited, Shougang Concord International Enterprises Company Limited, Shougang Concord Century Holdings Limited, New Times Group Holdings Limited and APAC Resources Limited. During the year, the Company recorded net unrealised holding losses of approximately HK\$109 million. Hence, the carrying value of the Company's portfolio had decreased substantially to approximately HK\$16 million as at 31 December 2008.

During the year, the Company had provided for impairment loss of approximately HK\$7.7 million for its investments in unlisted companies due to the current adverse global economic situation. The Board will closely monitor the investment in unlisted companies and take further appropriate action if necessary.

As at 31 December 2008, approximately 63% (2007: 87%) of the Company's investments were in a portfolio of Hong Kong listed securities, 17% (2007: 8%) in the equity interests of unlisted companies, 4% (2007: 0%) in other assets and the remaining 16% (2007: 5%) 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 2008, the net asset value of the Company amounted to HK\$24,942,088 (2007: HK\$128,623,583) with net asset value per share of HK\$0.31 (2007: HK\$1.59).

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 0.007 as at 31 December 2008 (2007 : 0.112).

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 (2007: 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 2008, there were no charges on the Company's assets and the Company did not have any significant contingent liabilities.

Prospects

Even though the state of the economy is tough and unstable in 2009, the Board will manage its existing investments in accordance with the Company's investment objectives and continue to identify and capture investment opportunities as and when they arise.

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 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.

All 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 2008.

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 2008 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 2008. 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

This results announcement is published on the website of the Stock Exchange at www.hkex.com.hk as well as the Company's website www.earnest-inv.com. The 2008 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, 27 March 2009

As at the date of this announcement, the Board 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. Oliver Yeung Kam Lai.